

# TRI-COUNTY TECHNICAL COLLEGE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Fiscal Year Ended June 30, 2013

Included in the Higher Education Funds of  
The State of South Carolina





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The State of South Carolina

Prepared by  
The Division of Business Affairs



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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
**TRI-COUNTY TECHNICAL COLLEGE**  
For the Fiscal Year ended June 30, 2013

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# INTRODUCTION

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Fiscal Year Ended June 30, 2013







COMMISSION MEMBERS – ADMINISTRATIVE STAFF – SERVICE AREA  
**TRI-COUNTY TECHNICAL COLLEGE**  
 For the Year Ended June 30, 2013

<i>AREA COMMISSION MEMBERS</i>	<i>COUNTY</i>	<i>TERM*</i>
Mr. William H. Hudson, Chair	Oconee	04/01-
Ms. Helen Rosemond–Saunders	Oconee	04/97-
Mr. John Powell	Oconee	01/10-
Mr. George N. Acker	Pickens	04/09-04/12
Mr. Thomas F. Strange	Pickens	04/11-04/14
Mr. Milton Ponder, II	Pickens	04/10-04/13
Mr. Leon Harris, III	Anderson	05/11-05/14
Mr. J. Allard Young	Anderson	04/13-04/16
Mr. Pruitt Martin	Anderson	04/12-04/15

\*Ending term is to be determined by legislature.

*KEY ADMINISTRATIVE STAFF*

Dr. Ronnie Booth	President
Ms. Sandra Magee	Chief of Staff
Mr. Galen Dehay	Director of Planning and Institutional Effectiveness, and Interim Provost/Vice President for Academic Affairs
Mr. Gregg Stapleton	Vice President for Business Affairs
Mr. John Lummus	Vice President for Economic and Institutional Advancement
Ms. Rebecca Eidson	Director of Public Relations and Communications
Ms. Sharon Colcolough	Director of Personnel
Ms. Cara Hamilton	Director of Fiscal Affairs

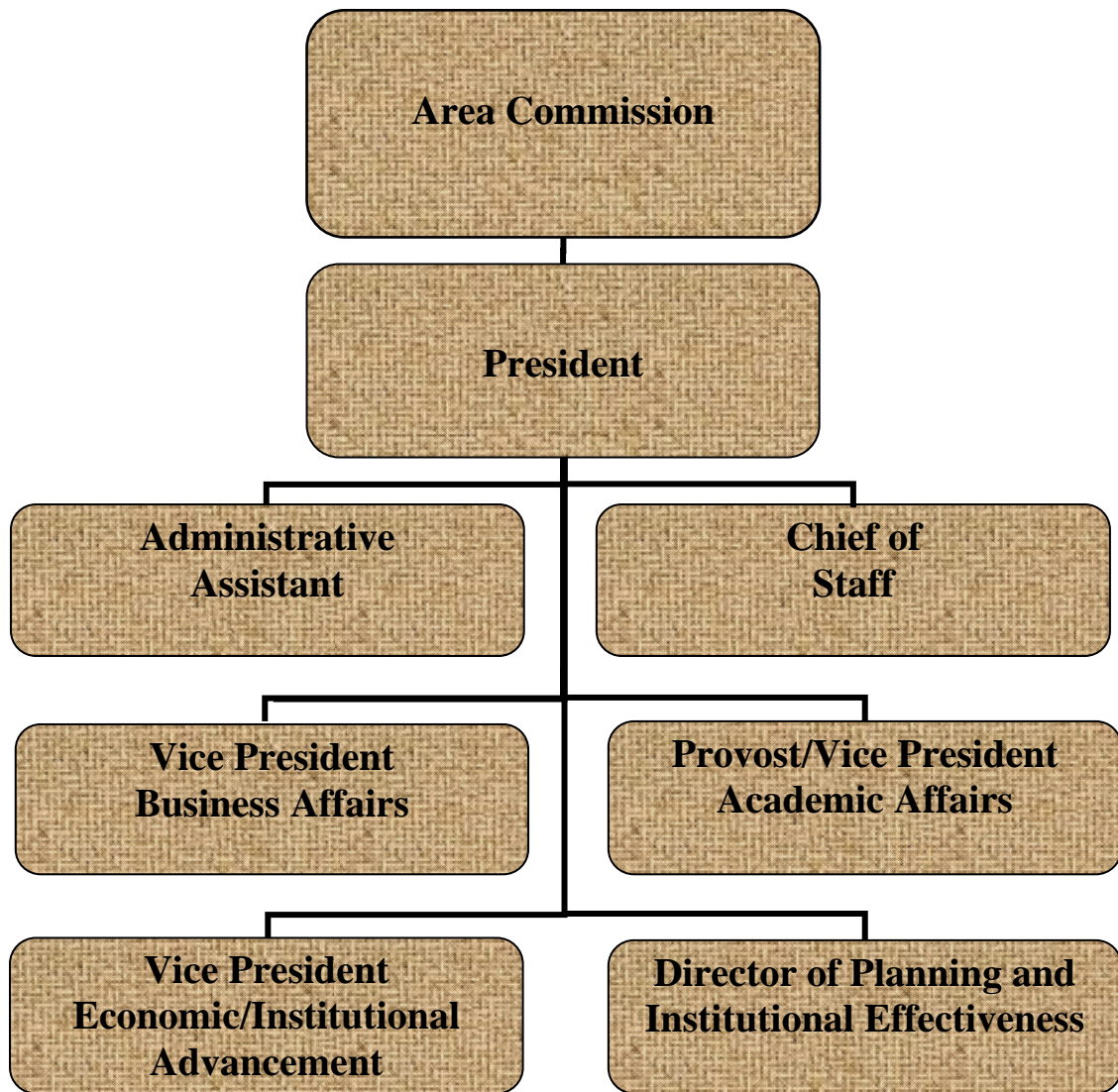
*AREA SERVED BY THE COMMISSION*

Anderson County  
 Oconee County  
 Pickens County

*COUNTIES PROVIDING FINANCIAL SUPPORT*

Anderson County  
 Oconee County  
 Pickens County

TRI-COUNTY TECHNICAL COLLEGE  
SUMMARY ORGANIZATIONAL CHART





September 30, 2013

**To the Members of the Area Commission for Tri-County Technical College:**

It is our pleasure to present the Comprehensive Annual Financial Report of Tri-County Technical College for the year ended June 30, 2013. The report of our independent public accountants, Cline, Brandt, Kochenower Co. P.A., expresses an unqualified opinion on the basic financial statements. The management of the College assumes responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College at the end of that fiscal year.

**This Comprehensive Annual Financial Report is presented in four sections:**

The **Introductory Section** includes: the transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2012, a listing of the members of the College's governing board and principal officials, and an organizational chart that outlines the structure of the College.

The **Financial Section** includes the independent auditors' report, the Management's Discussion and Analysis (MD&A) section, the basic financial statements, notes to the financial statements, and additional financial schedules. The MD&A provides a narrative overview and analysis of financial activities of the College for fiscal year ended June 30, 2013 with comparison to fiscal years ended June 30, 2012 and 2011. Basic financial statements are prepared in accordance with generally accepted accounting principles for public colleges and universities, as defined by GASB, and the National Association of College and University Business Officers in *College and University Business Administration*. These statements allow for reasonable comparisons of the College's financial position as well as revenues, expenses, transfers and other changes in net position with peer institutions.

The **Statistical Section** provides financial, economic, and demographic information relating to the College on a multi-year basis. This information is intended to present to readers a broad overview of trends in the financial affairs of the College.

The **Single Audit Section** includes the Schedule of Expenditures of Federal Awards, the independent auditors' report on compliance and internal control over financial reporting performed in accordance with *Government Auditing Standards* and the independent auditors' report on compliance with requirements applicable to each major program in accordance with *OMB Circular A-133*.

## **Entity**

Tri-County Technical College is one of sixteen technical colleges in South Carolina governed by the State Board for Technical and Comprehensive Education (SBTCE). Tri-County is a comprehensive, public two-year college serving the citizens of Anderson, Oconee and Pickens counties. The College is considered as a part of the State of South Carolina financial reporting entity and is included as a discretely presented component unit in the comprehensive annual financial report of the State, as fully explained in the paragraph below.

The College complies with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College. During fiscal year 2012-13, the State of South Carolina implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* an amendment of GASB Statements No. 14 and No. 34. As a result of this implementation, the College will now be reported as a discretely presented component unit on the State of South Carolina's Comprehensive Annual Financial Report. Discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the primary government instead of blending the College's financial information into the State's financial information.

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the "Foundation"), its component unit. Based on the nature and significance of the Foundation's relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

## **History**

Fifty years ago Tri-County Technical College became the first multi-county technical institute in South Carolina. In early 1960, then Governor Ernest F. Hollings initiated a State Educational System, motivated by the idea that if South Carolina could offer a well-trained work force, then the State would attract more business and industry. This training was to be provided by a system of thirteen (currently sixteen) technical colleges. In 1961, the South Carolina General Assembly passed Act 323, providing for the appointment of an advisory committee to study the feasibility of establishing a network of centers for technical training in strategic locations throughout the State. The purpose of these centers was "to prepare individuals for entry into or progressing in employment in industrial and technical pursuits or designed to improve conditions which result in improved citizenship." These centers would be located at points readily accessible to a large majority of the State's population.

The Anderson-Oconee-Pickens Technical Education and Training Commission was created April 7, 1962, when Governor Hollings approved the enabling legislation, Act 905. The Commission was created to control and manage the Anderson-Oconee-Pickens Technical Education and Training District. The Act further provided that the local operating costs would be borne by the College's service area as follows: Anderson County, fifty percent; Oconee County, twenty-five percent; and Pickens County, twenty-five percent.

## **History-continued**

In the fall of 1963, Tri-County Technical College opened as a Technical Education Center. The 42,000 square foot classroom/laboratory/administration building was located on a twenty-three acre tract of land, donated by Clemson University, four miles from Clemson on Highway 76, near Pendleton, SC. Clemson University has donated a total of fifty-seven acres to the College.

On April 10, 1974, the S.C. Board for Technical and Comprehensive Education approved the request of the Anderson-Oconee-Pickens Technical Education and Training Commission (The Area Commission) to change the name of the institution from Tri-County Technical Education Center to Tri-County Technical College. This change allowed the addition of the two-year associate degree programs in the Arts and Sciences to complement the technical and vocational training, developmental programs in adult education, manpower developmental training act programs, and more than 2,300 non-credit courses, seminars and workshops in continuing education.

In the past five decades enrollment has increased from 918 in credit and non-credit programs to over 20,000 students. The College has expanded its teaching methods from the traditional classroom and lab setting to on-line distance learning credit and non-credit courses. The main campus at Pendleton has grown from one building to fourteen buildings and has gained a national reputation for excellence.

The College experienced another “first” in March 2007 when the first branch campus opened in Anderson County offering both credit and non-credit courses. In September 2007, the College opened a new Oconee Campus at the Hamilton Career Center in Seneca and in spring 2009 the Watkins Community Center in Honea Path was renovated to include four classrooms used for community and corporate education. Land was purchased in Pickens County in preparation for a new campus in Easley. A new “QuickJobs” center was opened in Seneca, SC in May of 2010. The center is owned by Oconee County and operated by the college. It delivers targeted skills training for unemployed and underemployed workers.

During fiscal year 2011, the Easley campus was completed and classes began in January 2011. In addition, the Pickens County Quickjobs Center opened in October 2010. It is located on the Easley campus. The center is owned by Pickens county and operated by the college.

On March 9 2012, a groundbreaking ceremony was held for the Anderson QuickJobs Development Center. The 5,720 square-foot facility will include three classrooms, offices, and a lab/shop area. The grand opening and dedication is scheduled for October 11, 2013.

The College’s new 43,000-square-foot Industrial Technology Center in Sandy Springs opened January 14, 2013 for spring semester classes. The state-of-the-art facility houses the Welding and Heating, Ventilation, and Air Conditioning Programs. A dedication ceremony for the building was held March 8, 2013.

## **Economic Condition and Outlook**

A primary mission of the South Carolina technical colleges is to support economic development through education and training for the citizens of South Carolina. Tri-County Technical College’s financial health is closely linked to the economic conditions of the State and the local communities served by the College and the funding priorities established by the General Assembly and our local governmental bodies. An ongoing challenge and risk to the College’s fiscal stability is State and local funding. In prior years the College experienced significant declines in State funding, however in the current year both State and Local funding increased 4.6% and 3.2%, respectively. The increase in funding is attributable to improving

## **Economic Condition and Outlook-continued**

economic conditions and value the College delivers to the State and local government within its service area.

Enrollment declined 2.7% in FY 2013, this is the second consecutive year that enrollment dropped from the peak reached in FY2011 after a four year period of explosive enrollment growth of 32.9%.

The two year trend of declining enrollment was experienced across most of the South Carolina Technical College system. As the economy began to recover, fewer non-traditional students sought training and credentials to retool their skills or change career fields. Other factors also contributed to fewer students attending Tri-County, most notably a marked change in the College's matriculation process to emphasize student success in equal proportion to student access. The College imposed admissions deadlines in an effort to spend more time assessing, advising, and preparing incoming students for the start of college. While this change may have negatively impacted enrollment statistics, analysis has shown that most students who enrolled at the last minute were not able to successfully complete their first semester of school.

It appears the decline in enrollment is shallowing at Tri-County through efforts to engage prospective students earlier and more clearly communicate the College's value proposition. Preliminary data for the fall semester of FY 2014 indicates registrations for the same number of credit hours as the prior year.

The administration of the College budgets conservatively and correctly predicted this flattening of enrollment. As a result of deliberate planning, strong budget management, and a stabilization of State support, the College continues to operate on a fiscally sound basis.

## **Major Initiatives/Achievements Fiscal Year 2013**

### ***Academics:***

**Schneider Electric Makes Donation:** In October, Schneider Electric in Seneca made its final \$10,000 contribution towards its \$50,000 teaching chair endowment in the Engineering and Industrial Technology Division.

**Class of 2012 Celebrates Accomplishments:** Over 360 students graduated during the summer commencement ceremony on August 3. Dr. Ronnie L. Booth was the keynote speaker.

**College Partners with SC Works Centers:** The January 7 Job Fair and Training Expo drew nearly 300 individuals to campus to get details on upcoming classes and area job openings. Tri-County co-sponsored the event along with the local SC Works Centers.

**Roberts Delivers Spring Commencement Address:** Anderson Mayor Terence Roberts delivered the commencement address to 559 graduates on May 10.

**Classes to Be Offered at Watkins Center:** General Education classes will be offered at Watkins Center this fall. Forty-five Belton-Honea Path seniors have already registered to take their freshman classes at the Center.



## **Major Initiatives/Achievements Fiscal Year 2013-continued**

### ***Academics continued:***

**VA Approves Training Courses:** The Veterans Administration approved ten certificate-based training courses through Tri-County's Corporate and Community Education Division. These programs are designed to offer US veterans quick training in high-demand jobs.

**College Offers Heavy Equipment Operator Classes:** Tri-County partnered with Blanchard Machinery, the exclusive Caterpillar dealer in South Carolina, to offer heavy equipment operator classes.

**College Receives Grant to Train Baby Boomers:** Tri-County was the only South Carolina technical college chosen in the latest round of grants for the Plus 50 Encore Completion program, a national effort to train 10,000 baby boomers for new jobs in healthcare, education, and social services.

**Bosch Scholars Chosen:** Students chosen for the Bosch scholars program work 40 hours a week in addition to their coursework at Tri-County. After completion of the four-month program and graduation from Tri-County, scholars are assigned to a production department as an entry-level technician.

**New Express Model Piloted in Comprehensive Studies:** In an effort to improve retention and to promote student success, faculty spent months researching and studying the nationally-known Emporium teaching model and have created a modified design to help students move through their developmental coursework as quickly as possible. The program will be piloted during Fall 2013.

**Crescent High School Students To Take Dual-Credit Courses:** For the first time this fall, students in Crescent High School's Electricity program can take dual-credit courses in Industrial Electronics Technology at the College's Anderson Campus.

**Learning Communities Expanded:** As part of the Title III Grant, the College expanded the number and types of learning communities offered to students and formed an Academic Support Network.

**Tutoring Center Opens:** For the first time, tutoring services are now organized in one area rather than separated out across various disciplines. A new tutoring center was opened in the Student Center during Spring Semester, 2013.

**Advising:** During 2013, an Advising Center was opened on the Pendleton Campus. Students are now able to obtain academic advising as needed throughout the year.

**Stackable Credentials Model Adopted for Technical Curricula:** Work is underway to restructure technical program curricula using stackable credentials to allow students to achieve interim goals and enter the marketplace bearing credentials that are recognized by employers.

**DegreeWorks Implemented During Fall Semester:** A new online educational planning tool that simplifies students' ability to monitor their academic progress toward a degree was instituted during Fall Semester. DegreeWorks consolidates all of the students' curriculum information into a concise, consistent, easily accessible web format and gives them quick view of their educational progress.

**Smarter Measure Gives Insight into Student Success Factors:** As part of its Title III grant, the College launched Smarter Measure, an online student assessment that gives students, as well as their advisors and instructors, information about their life factors, individual attributes, learning styles, and experience with technology. The information provided through SmarterMeasure helps students make

## **Major Initiatives/Achievements Fiscal Year 2013-continued**

### ***Academics continued:***

better academic choices leading to success. Instructors and advisors can use this information to tailor their advising, assistance, and instruction to students.

### ***Capital Projects:***

**U.S. Engine Valve Supports Oconee QuickJobs Center:** U.S. Engine Valve/Nittan Valve made a \$15,000 donation to the Foundation to purchase a milling machine for the Oconee QuickJobs Center's CNC classes.

**McGee Heating and Air Pledges to ITC:** McGee Heating and Air Conditioning, located in Anderson and Georgia, pledged \$20,000 to name the Residential and Light Commercial Comfort Cooling Lab in the College's new Industrial Technology Center.

**Industrial Technology Center Opens Doors:** The College's new 43,000-square-foot Industrial Technology Center in Sandy Springs opened January 14, 2013 for spring semester classes. The state-of-the-art facility houses the Welding and Heating, Ventilation, and Air Conditioning Programs. A dedication ceremony for the building was held March 8, 2013.

**Itron Donates to Technology Endowment:** Itron recently donated \$20,000 toward the Itron Technology Endowment, which will generate funds to meet technological needs and purchase equipment.

**Blue Ridge Electric Pledges to Easley Campus:** Blue Ridge Electric Cooperative, Inc., donated \$20,000 to name a room at the Easley Campus.

**General Machine Builds Scholarship Program:** General Machine of Anderson donated \$5,000 to endow a scholarship for Anderson County students with proven need.

**BASF Funds Institute:** BASF Catalysts contributed \$5,000 to the Institute of Manufacturing Competitiveness.

### ***Recognitions:***

**Business Affairs Receives National Recognition:** For the 13th consecutive year, the Government Finance Officers Association of the United States and Canada awarded the College's Business Affairs Division a Certificate of Achievement for Excellence in Reporting for its comprehensive annual financial report.

**Blue Ridge Is Named Philanthropist of the Year:** Blue Ridge Electric Cooperative was named the 2012 Philanthropist of the Year. Blue Ridge has given more \$166,000 to the Foundation over the past 26 years.

**Pre-Pharmacy Receives Top Honor:** At Tri-County's fall convocation, the Pre-Pharmacy Advisory Committee was named Advisory Committee of the Year.

**Easley Campus Receives Business of the Month Award:** The Greater Easley Chamber of Commerce honored Tri-County's Easley Campus with the Business of the Month award in August.



## **Major Initiatives/Achievements Fiscal Year 2013-continued**

### ***Recognitions continued:***

**Kopera Receives Presidential Medallion:** Ken Kopera received the highest award presented to College staff, the Presidential Medallion for Staff Excellence, at the College's fall convocation. Ken is the College's physical plant director.

**Wakefield Is Honored with Order of Merit:** David Wakefield, Anderson resident and retired banking executive, was given the Order of Merit, the highest award presented by Tri-County's Commission, at the College's annual report luncheon on October 30.

**Tri-County's Foundation Board Welcomes Five New Members:** Joining the Board's current members are Linda Bacigalupo, Dave Eldridge, and Larry Smith representing Oconee County; Hugh Burgess, representing Anderson County; and Nancy Hedrick, representing Pickens County.

**Rosemond-Saunders Is Elected to National Committee:** Commissioner Helen Rosemond-Saunders was elected to the Diversity Committee of the Association of Community College Trustees in its September meeting.

**Speech Students Earn Recognition at State Festival:** Two Tri-County students placed first in two categories at the South Carolina Speech and Theatre Association's Annual College Festival Competition February 2. Sohag Patel placed first in persuasive speech, and Manuel Manley placed first in informative speaking.

**Brock Receives Presidential Medallion:** Deborah Brock, Medical Laboratory Technology Instructor and Faculty Liaison for Professional Development, received the highest award presented to the faculty, the Presidential Medallion for Instructional Excellence, at the College's Spring Commencement ceremony held May 10.

**Stokes Receives Adjunct Award:** Ted Stokes, adjunct instructor in the Engineering and Industrial Technology Division, was honored with the Adjunct Presidential Award at the Faculty/Staff Spring Convocation held May 8.

### ***Special Events:***

**Annual Report Luncheon Draws Leaders to Campus:** Nearly 200 business and industry leaders came to the Pendleton Campus on October 30 for the College's annual report luncheon. Dr. Booth showcased the 2011-12 annual report titled *Since 1962 we've had one goal...to help you reach yours*. Wayne Culbertson, executive vice president for Michelin North America, was the keynote speaker.

**Fall Classic Raises Money for C2C:** The eighth annual Fall Classic golf tournament, held October 5, raised \$33,000 to help support Connect to College (C2C), a drop-out recovery program for youth between the ages of 17-20.

**College Buries Time Capsule:** In celebration of the College's 50<sup>th</sup> anniversary, a time capsule was buried on October 24 containing College materials as well as pop culture items from 2012. The time capsule will be opened in 2062 on Tri-County's 100<sup>th</sup> anniversary.

## **Major Initiatives/Achievements Fiscal Year 2013-continued**

### ***Special Events continued:***

**Michelin Partnership Promotes Technical Careers:** Tri-County and Michelin North America launched a new initiative to promote technical career opportunities to high school students, starting with a tour and presentation at the Starr plant to help high school educators better understand technical career opportunities so they can share that information with students. Nearly sixty educators participated.

**Events Draw Prospective Students:** Approximately 160 prospective students attended the Pendleton Campus Open House on March 1. The annual spring College Fair also showcased the Campus and provided an opportunity for students to have direct contact with admissions counselors from various colleges and universities.

**Partners Kick Off Work Ready Initiative:** Tri-County joined forces with Anderson Economic Development, Clemson Center for Workforce Development, Oconee County Economic Development Commission, Pendleton Regional Education Center, and Alliance Pickens to raise awareness and build support for linking education and workforce development and was designated as a SC certified Work Ready Community.

**Bluegrass under the Stars Draws Record Crowd:** The 8<sup>th</sup> annual Bluegrass under the Stars concert was held April 6 on the Pendleton Campus. Nearly 2,000 concert goers attended the free concert and fireworks event that is held annually in conjunction with Pendleton's Spring Jubilee.

**Engineering and Technology Division Reaches Area Elementary and Middle Schools:** Almost 200 students, ages 9-14, were on campus February 9 for the FIRST LEGO team competition. Team competition introduces young students to real-world engineering challenges while they build LEGO-based robots to complete tasks on a thematic playing surface.

**Alumni Spring Open Raises Funds for Foundation:** More than \$6,500 was raised at the Alumni Spring Open Golf Tournament to fund scholarships and other priorities through the College Foundation.

**Teachers, Counselors Learn about TCTC Opportunities:** Each year the College hosts an appreciation breakfast for our high school partners, which include guidance counselors, principals, and school district personnel from the three counties. The guests hear presentations about our high school initiatives, academic offerings, community campuses, admissions and recruitment, financial aid, and more.

**Employees, Students Walk to Raise Funds for AHA:** Nearly \$8,500 was raised for the American Heart Association during an employee/student one-mile walk around the Pendleton Campus.

**College Co-Hosts TYCA-SE Conference:** The English Department co-hosted the 48th Annual Two-Year College English Association—Southeast (TYCA-SE) Conference in February. TYCA-SE is one of the regional organizations of the National Two-Year College English Association and serves a 10-state region.

## **Major Initiatives/Achievements Fiscal Year 2013-continued**

### ***Other:***

**College Goal SC Assists Prospective Students:** The College Goal SC event held February 23 drew the largest crowd to date, with 44 students and their families filling out and filing the Free Application for Federal Student Aid or FAFSA. The FAFSA is the first step in receiving Federal aid, and is a requirement for most college students who attend college.

**Center for Workforce Excellence:** The World Class Training Center changed its name to the Center for Workforce Excellence in June to reflect the higher level of training the Center is able to offer industries whose associates require demanding technical skills.

**SC Will Participate in WorkReady Communities Initiative:** South Carolina is one of eight states chosen to participate in the WorkReady Communities Initiative designed to match job seekers with businesses and industries looking for employees

**College Launches Career Coach Tool:** Tri-County recently launched a new online tool ([www.tctc.edu/careercoach](http://www.tctc.edu/careercoach)) that provides local employment opportunities, wages, educational postings, and job postings for various career interests.

**College Reaches Energy Efficiency Goal:** In February, Tri-County reached its goal of developing energy conservation plans to reduce energy usage by 20%, which result in annual savings of approximately \$200,000.

**Employee Wellness Center Opens:** A wellness center to promote employee health and wellness was opened on the Pendleton Campus.

**College Adopts New Strategic Planning Process:** Using the College's Ten-Year Vision as a guide, the College developed four strategic directions that form the basis of its new three-year plan. Those directions are: Driving Organizational Success through Our People; Reinventing Our Offerings to Adapt to Changing Realities; Positioning and Equipping Students for Success; and Embracing Personal Accountability for Students' Learning

**Service Learning:** An new initiative to promote service learning and help faculty incorporate service learning into the curriculum resulted in several new service learning projects held throughout the year that provided meaningful assistance to the community and rewarding learning experiences for students.

**Student Assistance Program:** Thanks to a new program available through Student Life and Counseling Services, students can now access free 24/7 professional counseling services. The Student Assistance Program (SAP) links students to professional counselors to help them manage personal issues, such as grief and loss, anger management, depression, other life challenges.

## **Major Priorities and Critical Initiatives**

*(Excerpt from FY 2014 – 2016 Three Year Strategic Plan)*

- PEOPLE – Driving Organizational Success through Our People
  - Develop a foundational framework for Talent Management
  - Establish and implement leadership, faculty and staff competency models
  - Revise and implement a more effective Performance Management process
  - Implement a reward system tied to institutional success
- PROGRAMS – Adapt Our Offerings to Changing Realities
  - Implement a strategic enrollment planning process
  - Develop and finalize a Distance Learning strategic plan
  - Implement a Stackable Credentials model
  - Develop a priority-driven system of program development
- STUDENT SUCCESS – Positioning and Equipping Students for Success
  - Implement an improved Recruitment process
  - Implement an improved Student Matriculation process
  - Redesign the Academic Advising model to foster Student Success
  - Deliver a feasibility study and recommendation on a new Student Success Center
- STUDENT LEARNING – Embracing Personal Accountability for Students' Learning
  - Deliver an experiential/service learning feasibility study
  - Implement a redesigned Student Reaction to Instruction plan
  - Define the Transformative student experience and deliver operationalized best practices
  - Deliver revised general education outcomes assessment

## **Internal Control Structure and Budgetary Control**

The management of the College is responsible for establishing and maintaining an effective system of internal control. The system of internal control is designed to ensure that certain organizational objectives are met. Accordingly, organizational structure, policies, and procedures have been established to safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established governmental laws, regulations and policies, College policies, and other requirements of sponsors to whom the College is accountable. The internal accounting control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- 1) the cost of a control should not exceed the benefits likely to be derived; and
- 2) the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal financial funds, the College is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and College policies and procedures, integrated with the College's system of internal controls, provides for this compliance. The College undergoes an annual examination of its federal financial assistance programs in accordance with U.S. Office of Management and Budget Circular A-133.

The College maintains budgetary controls in the form of line-item budgets and budget transfer restrictions. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the Area Commission. The College maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrances are reported as appropriated fund balance at year-end. As demonstrated by the financial statements and schedules included in the financial section of this report, management of the College continues to meet its responsibility for sound financial management.

### **Independent Audit**

Cline, Brandt, Kochenower & Co. P.A. has audited the financial statements. The Independent Auditors' Report is included in the financial section of this report and reflects an unqualified opinion on the basic financial statements. The College complies with the requirements of the Single Audit Act for which separate reports are issued.

### **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tri-County Technical College for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

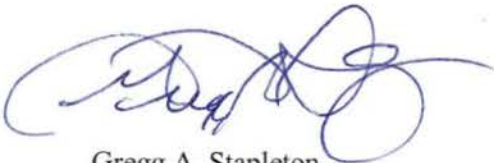
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized *Comprehensive Annual Financial Report* whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### **Acknowledgments**

The preparation of the *Comprehensive Annual Financial Report* is a coordinated effort by various units in the College. We would like to express appreciation to all who contributed to the preparation of this report.

Sincerely,



Gregg A. Stapleton  
Vice President Business Affairs



Cara T. Hamilton  
Director of Fiscal Affairs



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Tri-County Technical College  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive style.

Executive Director

# FINANCIAL

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Fiscal Year Ended June 30, 2013







CLINE BRANDT KOCHENOWER  
& Co., P.A.  
Certified Public Accountants  
*Established 1950*

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Independent Auditors' Report

Tri-County Technical College  
Pendleton, South Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Tri-County Technical College, a discretely presented component unit of the State of South Carolina, as of and for the years ended June 30, 2013 and June 30, 2012, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. We did not audit the financial statements of Tri-County Technical College Foundation, Inc and Subsidiary (a discretely presented component unit). The Tri-County Tech College Foundation, Inc and Subsidiary reflects 100% of total assets, 100% of net assets, and 100% of total revenues of the discretely presented component unit.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Tri-County Technical College Foundation, Inc. and Subsidiary, which represent 100% of total assets, 100% of net assets, and 100% of total revenue of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tri-County Technical College Foundation, Inc. and Subsidiary, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Tri-County Technical College Foundation, Inc and Subsidiary were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Tri-County Technical College as of June 30, 2013 and June 30, 2012, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, GASB Statement No. 61 as implemented by the State of South Carolina during fiscal year 2013, changed the manner in which the College is reported in the State of South Carolina's Comprehensive Annual Financial Report to a discretely presented component unit. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, in 2013, the College adopted accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tri-County Technical College's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

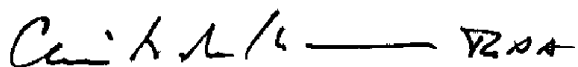
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2013, on our consideration of Tri-County Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

**Report on State Lottery Assistance Program**

We have also issued our report dated September 20, 2013 on our consideration of Tri-County Technical College administration of the State Lottery Assistance Program and on our test of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.



Gaffney, South Carolina  
September 20, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
*TRI-COUNTY TECHNICAL COLLEGE*  
June 30, 2013

As management of Tri-County Technical College, ("*the College*") we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2013. This discussion should be read in conjunction with the financial statements and the notes thereto, which follow this section.

**Financial Highlights**

- The assets of Tri-County Technical College exceeded its liabilities at June 30, 2013 by \$64,688,601 (net position). Of this amount, \$5,916,416 (unrestricted net position) may be used to meet the College's ongoing obligations.
- The College's net position increased by \$3,979,880 or 6.6%, primarily in the category of current assets and a reduction of current liabilities.
- The College experienced an operating loss of \$20,205,786 as reported in the Statement of Revenues, Expenses, and Changes in Net Position. The operating loss increased by \$195,907 from fiscal year 2012 due to a net decrease in operating revenues of \$191,127 and a net modest increase in operating expenses of \$4,780. The operating loss was offset by non-operating revenues from State appropriations of \$6,496,387, local appropriations of \$2,983,018, State grants and contracts of \$222,851, Federal grants and contracts of \$11,103,979, other non-operating revenues of \$1,329,646, and capital appropriations of \$2,291,831 for total non-operating revenues of \$24,427,712.

**Overview of the Financial Statements**

The College is engaged only in Business-Type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

The Statement of Net Position presents the financial position of the College at the end of the fiscal year and classifies assets and liabilities into current and non-current. The difference between total assets and total liabilities is net position, which is displayed in three broad categories: invested in capital assets (net of related debt), restricted, and unrestricted. Net position is one indicator of the current financial condition of the College, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Position is basically a statement of net income that replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized by operating and non-operating, and expenses are reported by object type.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, non-capital financing, and investing activities. This statement also emphasizes the College's dependence on State and county appropriations by separating them from operating cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued  
 TRI-COUNTY TECHNICAL COLLEGE

**Financial Analysis**

**Statement of Net Position:**

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$64,688,601 at the close of fiscal year 2013, by \$60,708,721 at the close of fiscal year 2012, and by \$55,727,772 at the close of fiscal year 2011.

By far the largest portion of the College's net position (53.3%) reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

*Unrestricted net position* of \$5,916,416 (9.1%) may be used to meet the College's ongoing obligations.

*Restricted net assets* of \$24,310,670 (37.6%) will be used to meet the College's capital project needs to provide academic space and long-term maintenance of physical plant.

The following schedule is prepared from the College's statement of net assets which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Note that assets substantially exceed liabilities denoting a sound financial condition for the College.

**Net Position**  
**As of June 30, 2013, June 30, 2012 and June 30, 2011**  
 (In millions)

	30-Jun 2013	30-Jun 2012	Increase (Decrease) 2012 to 2013	30-Jun 2011	Increase (Decrease) 2011 to 2012
<b>ASSETS</b>					
Current Assets	\$35.22	\$34.18	\$1.04	\$29.53	\$4.65
Non-current Assets	\$0.00	\$0.00	\$0.00	\$0.05	(\$0.05)
Capital Assets, Net of Depreciation	\$40.21	\$38.57	\$1.64	\$38.09	\$0.48
<b>TOTAL ASSETS</b>	<b>\$75.43</b>	<b>\$72.75</b>	<b>\$2.68</b>	<b>\$67.67</b>	<b>\$5.08</b>
<b>LIABILITIES</b>					
Current Liabilities	\$4.15	\$5.12	(\$0.97)	\$4.72	\$0.40
Non-current Liabilities	\$6.59	\$6.92	(\$0.33)	\$7.22	(\$0.30)
<b>TOTAL LIABILITIES</b>	<b>\$10.74</b>	<b>\$12.04</b>	<b>(\$1.30)</b>	<b>\$11.94</b>	<b>\$0.10</b>
<b>NET POSITION</b>					
Investment in Capital Assets	\$34.46	\$32.46	\$2.00	\$31.63	\$0.83
Restricted	\$24.31	\$22.62	\$1.69	\$18.59	\$4.03
Unrestricted	\$5.92	\$5.63	\$0.29	\$5.51	\$0.12
<b>TOTAL NET POSITION</b>	<b><u>\$64.69</u></b>	<b><u>\$60.71</u></b>	<b><u>\$3.98</u></b>	<b><u>\$55.73</u></b>	<b><u>\$4.98</u></b>

Overall total assets increased \$2.68 million or 3.7% from June 30, 2012 to June 30, 2013, compared to an increase of \$5.08 million or 7.5% from June 30, 2011 to June 30, 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued  
*TRI-COUNTY TECHNICAL COLLEGE*

**Statement of Net Position-Continued**

The changes related to the fiscal year ended June 30, 2013 as compared to June 30, 2012 are as follows:

- Current assets increased \$1.04 million or 3.0% related primarily due to the increase in cash and cash equivalents available to fund future capital expansions and renovations.
- Capital assets increased \$1.64 million or 4.3% primarily related to construction and renovations at the Industrial Technology Center.

The changes related to the fiscal year ended June 30, 2012 as compared to June 30, 2011 are as follows:

- Current assets increased \$4.65 million or 15.7% primarily related to the net increase in cash and cash equivalents available for funding of the Industrial Technology Center constructed in FY2013 and the decrease in accounts receivable due to the decline in enrollment.

Overall total liabilities decreased \$1.30 million or 10.8% from June 30, 2012 to June 30, 2013, compared to an increase of \$0.10 million or 0.84% from June 30, 2011 to June 30, 2012.

The changes related to the fiscal year ended June 30, 2013 as compared to June 30, 2012 are as follows:

- Current liabilities decreased \$0.97 million or 18.9% due primarily to the decrease in accounts payable related to the timing of construction activity at year end and the decrease in unearned revenue due to the timing of work completed against multi-year grant obligations.
- Noncurrent liabilities decreased by \$0.33 million or 4.8% primarily related to capital lease payments.

The changes related to the fiscal year ended June 30, 2012 as compared to June 30, 2011 are as follows:

- Current liabilities increased \$0.40 million or 8.5% due primarily to the net increase in accounts payable related to the timing of Industrial Technology Center construction activity at year end and the offsetting decrease in unearned revenue due to the timing of work completed against multi-year grant obligations.
- Noncurrent liabilities decreased by \$0.30 million or 4.2% primarily due to capital lease payments.

Overall net position increased \$3.98 million or 6.6% from June 30, 2012 to June 30, 2013, compared to an increase of \$4.98 million or 8.9% from June 30, 2011 to June 30, 2012.

The changes related to the fiscal year ended June 30, 2013 as compared to June 30, 2012 are as follows:

- Investment in capital assets increased \$2.00 million or 6.2% due primarily to the capitalization of the Industrial Technical Center and an increase in restricted funds to meet the College's future maintenance and capital improvement needs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued  
 TRI-COUNTY TECHNICAL COLLEGE

**Statement of Net Position-Continued**

The changes related to the fiscal year ended June 30, 2012 as compared to June 30, 2011 are as follows:

- Investment in capital assets increased \$0.83 million or 2.6% primarily related to construction in progress at the Industrial Technical Center and restricted funds increase to meet the College's deferred maintenance needs and funding for capital improvements.

**Statement of Revenues, Expenses, and Changes in Net Position:**

The "Statement of Revenues, Expenses and Changes in Net Position" presents and categorizes revenues earned and expenses incurred during the year into operating and non-operating. Generally, operating revenues and expenses are those received for services rendered and used to carry out the mission of the College; however, the College depends heavily on financial support from the state and counties for which it provides services. This support is categorized as non-operating revenue based on governmental accounting standards; therefore, the College will always reflect an operating deficit and its dependence on state and local funding. Non-operating revenues net of expenses offset the operating deficit and result in an overall increase in net assets for the year. State and local capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported below "Net Revenues over Expenses before Capital Contributions".

**Summary of Revenue**  
 As of June 30, 2013, June 30, 2012 and June 30, 2011  
 (In millions)

	30-Jun 2013	30-Jun 2012	Incr(Decr) 2012 To 2013	30-Jun 2011	Incr(Decr) 2011 To 2012
<b>Operating Revenue</b>					
Tuition and Fees(net of scholarship allow)	\$17.75	\$18.89	(\$1.14)	\$19.56	(\$0.67)
Grants, Contracts and other	\$13.02	\$12.21	\$0.81	\$11.18	\$1.03
Auxiliary(net of book allowance)	\$2.68	\$2.54	\$0.14	\$2.82	(\$0.28)
Total Operating Revenue	\$33.45	\$33.64	(\$0.19)	\$33.56	\$0.08
Less Operating Expenses	\$53.66	\$53.65	\$0.01	\$59.07	(\$5.42)
Net Operating Loss	(\$20.21)	(\$20.01)	(\$0.20)	(\$25.51)	\$5.50
<b>Non-Operating Revenue</b>					
State Appropriations	\$6.50	\$6.21	\$0.29	\$6.35	(\$0.14)
Local Appropriations	\$2.98	\$2.89	\$0.09	\$3.91	(\$1.02)
Other Grants and Contracts	\$12.45	\$14.04	(\$1.59)	\$18.08	(\$4.04)
Investment Income	\$0.21	\$0.21	\$0.00	\$0.14	\$0.07
Total Non-Operating Revenue	\$22.14	\$23.35	(\$1.21)	\$28.48	(\$5.13)
Less Interest on Capital Debt	\$0.24	\$0.26	(\$0.02)	\$0.27	(\$0.01)
Net Revenues over Expenses before Capital Contributions	\$1.69	\$3.08	(\$1.39)	\$2.71	\$0.37
Capital Appropriations, Grants and Contracts, Gains/Losses	\$2.29	\$1.90	\$0.39	\$0.87	\$1.03
Increase in Net Position	\$3.98	\$4.98	(\$1.00)	\$3.58	\$1.40
Net Position, Beginning of Year	\$60.71	\$55.73	\$4.98	\$52.15	\$3.58
Net Position, End of Year	\$64.69	\$60.71	\$3.98	\$55.73	\$4.98
<b>Total Revenues</b>	<b>\$57.88</b>	<b>\$58.89</b>	<b>(\$1.01)</b>	<b>\$62.92</b>	<b>(\$4.03)</b>



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued  
*TRI-COUNTY TECHNICAL COLLEGE*

**Statement of Revenues, Expenses, and Changes in Net Position – Continued**

Total revenue decreased \$1.01 million or 1.7% between fiscal years 2012 and 2013 and decreased \$4.03 or 6.4% between fiscal years 2011 and 2012.

Operating revenue decreased \$0.19 million or 0.6% from June 30, 2012 to June 30, 2013, compared to an increase of \$0.08 or 0.2% from June 30, 2011 to June 30, 2012.

The changes related to the fiscal year ended June 30, 2013 as compared to June 30, 2012 are as follows:

- Student tuition declined \$1.14 million or 6.0% due to declines in enrollment.
- Grants and contracts increased \$.81 million or 6.6% due to increases in Life and Lottery financial aid programs.

The changes related to the fiscal year ended June 30, 2012 as compared to June 30, 2011 are as follows:

- Student tuition declined \$.67 million or 3.4% due to declines in enrollment.
- Grants and contracts increased \$1.03 million or 9.2% due to increases in Life and Lottery financial aid programs.

Overall total non-operating revenue decreased \$1.21 million or 5.2% from June 30, 2012 to June 30, 2013, compared to a decrease of \$5.13 million or 18.0% from June 30, 2011 to June 30, 2012.

The changes related to the fiscal year ended June 30, 2013 as compared to June 30, 2012 are as follows:

- Federal grants declined \$1.50 million or 11.9% due to declines in Pell Grants related to enrollment.

The changes related to the fiscal year ended June 30, 2012 as compared to June 30, 2011 are as follows:

- Local appropriations declined \$1.02 million or 26.0% due to paying off bonds on which debt service was funded by local county tax millage.
- Federal grants declined \$4.2 million or 24.8% due to declines in Pell Grants related to enrollment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued  
*TRI-COUNTY TECHNICAL COLLEGE*

**Statement of Revenues, Expenses, and Changes in Net Position – Continued**

**Summary of Expenses**  
**As of June 30, 2013, June 30, 2012 and June 30, 2011**  
(In millions)

	30-Jun 2013	30-Jun 2012	Incr(Decr) 2012 To 2013	30-Jun 2011	Incr(Decr) 2011 To 2012
<b>Operating Expenses</b>					
Salaries	\$20.15	\$20.57	(\$0.42)	\$20.09	\$0.48
Benefits	\$6.10	\$6.02	\$0.08	\$5.39	\$0.63
Scholarships	\$8.48	\$9.34	(\$0.85)	\$12.79	(\$3.46)
Utilities	\$0.96	\$0.94	\$0.03	\$0.88	\$0.05
Supplies and Other Services	\$11.43	\$10.06	\$1.37	\$12.59	(\$2.54)
Auxiliary	\$3.98	\$4.28	(\$0.29)	\$4.59	(\$0.31)
Depreciation	\$2.55	\$2.45	(\$0.10)	\$2.72	(\$0.27)
<b>Total Operating Expenses</b>	<b>\$53.66</b>	<b>\$53.65</b>	<b>\$0.01</b>	<b>\$59.07</b>	<b>(\$5.42)</b>
<b>Total all Expenses</b>	<b>\$53.90</b>	<b>\$53.91</b>	<b>(\$0.01)</b>	<b>\$59.34</b>	<b>(\$5.43)</b>

Overall total operating expense decreased \$0.01 million or 0.0% from June 30, 2012 to June 30, 2013, compared to a decrease of \$5.43 million or 9.2% from June 30, 2011 to June 30, 2012.

The changes related to the fiscal year ended June 30, 2013 as compared to June 30, 2012 are as follows:

- Scholarship decrease is directly tied to the decline in enrollment.
- Supplies and other services increased due to costs associated with the Industrial Technical Center and other infrastructure upgrades that did not meet the capitalization thresholds.

The changes related to the fiscal year ended June 30, 2012 as compared to June 30, 2011 are as follows:

- Scholarship decrease is directly tied to the decline in enrollment.
- Supplies and other services declined due to costs associated with completion of the construction of the Easley Occupational Center in FY11.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) – Continued  
*TRI-COUNTY TECHNICAL COLLEGE*

**Statement of Cash Flows:**

The “Statement of Cash Flows” is concerned solely with the flows of cash in and out of the College. Consequently, only transactions that affect the College’s cash account is reported in this statement.

**Summary of Cash Flows**  
**As of June 30, 2013, June 30, 2012 and June 30, 2011**  
**(In millions)**

	30-Jun 2013	30-Jun 2012	Difference 2012 To 2013	30-Jun 2011	Difference 2011 To 2012
Net cash used by operating activities	(\$17.56)	(\$14.97)	(\$2.59)	(\$25.92)	\$10.95
Net cash flows from non-capital financing activities	\$21.66	\$23.14	(\$1.48)	\$28.35	(\$5.21)
Net cash flows used by capital and related financing activities	(\$3.25)	(\$0.42)	(\$2.83)	(\$0.59)	\$0.17
Net cash flows from investing activities	\$0.21	\$0.21	\$0.00	\$0.14	\$0.07
Net increase(decrease) in cash	\$1.06	\$7.96	(\$6.90)	\$1.99	\$5.97

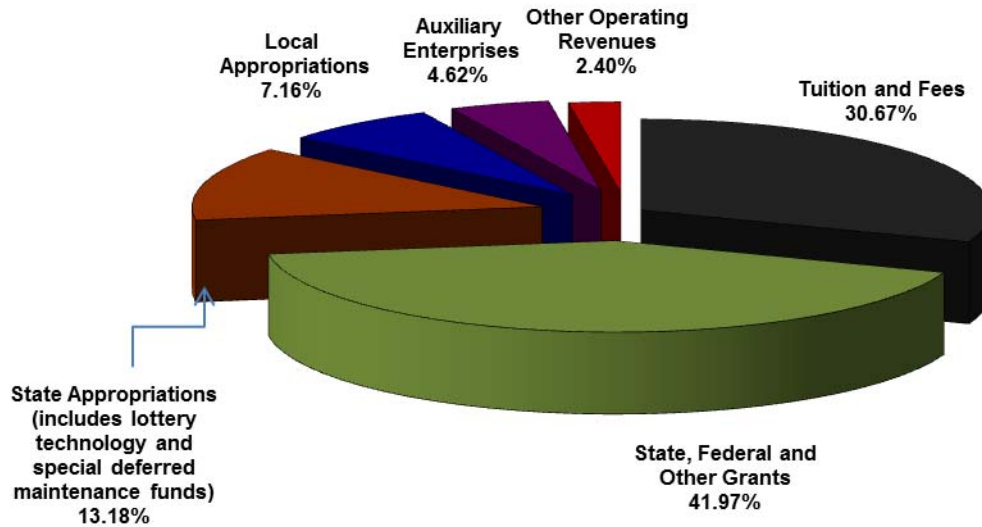
In fiscal year 2013, cash increased \$1.06 million. The net cash flows from operating activities decreased by \$2.59 million primarily related to an increase in payments to vendors and an increase in receivables from federal and state grantors. Cash for fiscal year 2012 increased \$7.96 million. The net cash flows from operating activities increased \$10.95 million primarily due to a reduction in receivables due from federal and state grantors.

Cash flows from non-capital financing activities in fiscal year 2013 decreased \$1.48 million primarily as a result of a decrease in federal grants, specifically Pell. In fiscal year 2012 cash flow from non-capital financing activity decreased \$5.21 million primarily due to reduction in federal Pell grants and local appropriations.

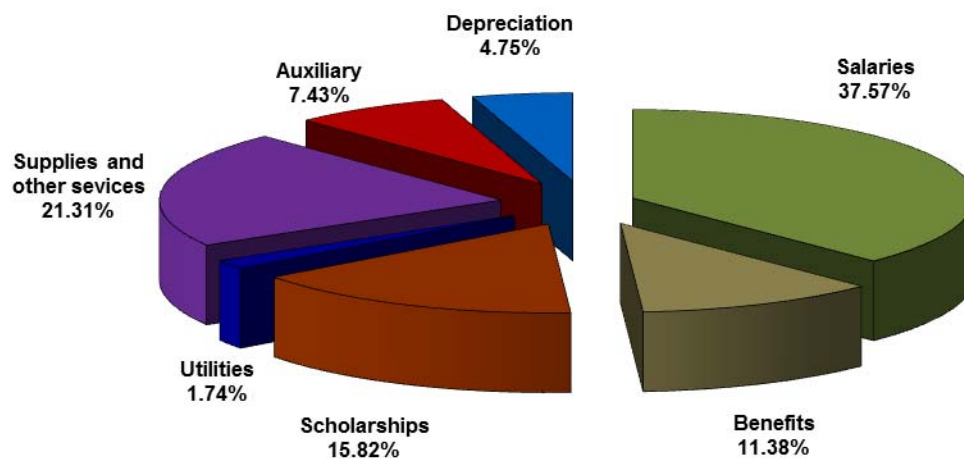
Capital and related financing activities decreased \$2.83 million in fiscal year 2013 primarily due to purchases of capital assets associated with the Industrial Technology Center. The increase of \$0.17 million in fiscal year 2012 is primarily related to the reduction of capital assets due to the completion of the Easley Economic Development Center in 2011 and an offsetting decrease in proceeds from the sale of assets sold in FY11.

Cash flows from investing activity remain unchanged in fiscal year 2013 and increased by \$.07 million in fiscal year 2012 related to interest revenue.

**All Sources of Revenue  
As of June 30, 2013**



**Operating Expenses by Category  
As of June 30, 2013**



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued  
*TRI-COUNTY TECHNICAL COLLEGE*

**Capital Asset and Debt Administration**

The College's capital assets total \$40,211,515, a 4.24% increase over fiscal year 2012. More detailed information on capital asset activity can be found in notes 2, 6, and 12 following the basic financial statements.

As of June 30, 2013 the only long term debt for the College is a capital lease payable of \$5,750,000. More detailed information on long-term debt activity can be found in notes 2, 6, and 12 following the basic financial statements.

**Economic Factors**

The economic condition of the College is dependent to a large degree on that of the state and local governments. Due to improving economic conditions, the state of South Carolina was able to increase current funding levels 4.7% this year over the previous year.

Local government support provided an increase of 3.2% for ongoing maintenance and plant operations even though the tax base remained relatively flat. Although the unemployment rates improved slightly from June 2012, unemployment in the College's service area still remains at challenging levels; 9.2% for Anderson county, 9.7% for Oconee county, and 9.1% for Pickens county.

The College is also dependent on tuition revenues, ideally from a stable enrollment over time. Enrollment declined 2.7% in 2013, this is the second consecutive year that enrollment dropped from FY11's record levels after four years of explosive enrollment growth of 32.9%. The two year trend of declining enrollment was experienced across most of the South Carolina Technical College System. It appears that the Upstate of South Carolina lower enrollments correlate with a slowly improving economy as more potential students were able to find or keep jobs instead of returning to college.

As demonstrated by the financial statements and schedules included in the financial section of this report, the College continues to operate on a fiscally sound basis including only modest tuition increases and as a result of deliberate fiscal planning, stringent budget management and the stabilization of State support.

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# BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2013



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**Statement of Net Position**  
**Tri-County Technical College**  
**June 30, 2013 and June 30, 2012**

<b>ASSETS</b>	<b>FY13</b>	<b>FY12</b>
<b>Current assets:</b>		
Cash and cash equivalents--Note 3	\$ 30,925,968	\$ 29,865,141
Accounts receivable, net of allowance--Note 4	2,842,158	2,979,811
Inventories	621,523	544,524
Prepaid expenses - other assets	831,081	786,774
<b>Total Current Assets</b>	<b>35,220,730</b>	<b>34,176,250</b>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents--Note 3	399	376
Capital assets, net of accumulated depreciation--Note 6	40,211,515	38,574,589
<b>Total Noncurrent Assets</b>	<b>40,211,914</b>	<b>38,574,965</b>
<b>TOTAL ASSETS</b>	<b>\$ 75,432,644</b>	<b>\$ 72,751,215</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable--Note 5	\$ 1,582,237	\$ 2,197,854
Accrued liabilities	50,908	44,090
Accrued annual leave-current portion--Note 12	135,445	130,580
Unearned Revenue	2,006,452	2,379,749
Loan payable--Note 11	0	0
Capital lease payable-current portion--Note 10	380,000	365,000
<b>Total Current Liabilities</b>	<b>\$ 4,155,042</b>	<b>\$ 5,117,273</b>
<b>Noncurrent Liabilities</b>		
Accrued annual leave--Note 12	\$ 1,219,001	\$ 1,175,221
Capital lease payable--Note 10 and 12	5,370,000	5,750,000
<b>Total Noncurrent Liabilities</b>	<b>6,589,001</b>	<b>6,925,221</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 10,744,043</b>	<b>\$ 12,042,494</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>NET POSITION</b>		
Net investment in Capital Assets	\$ 34,461,515	\$ 32,459,589
Restricted for:		
Expendable:		
State Capital Project fund	399	376
Capital Projects	24,310,271	22,619,352
Reserved for Encumbrance-Capital Projects	-	-
Unrestricted	5,916,416	5,629,404
<b>Total Net Position</b>	<b>64,688,601</b>	<b>60,708,721</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 75,432,644</b>	<b>\$ 72,751,215</b>

See accompanying notes to financial statements.

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Tri-County Technical College**  
**For the years ended June 30, 2013 and June 30, 2012**

<b>REVENUES</b>	<b>FY13</b>	<b>FY12</b>
<b>Operating Revenues:</b>		
Student tuition and fees (net of \$10,284,249 scholarship allowances)	\$ 17,753,908	\$ 18,885,413
Federal grants and contracts	1,903,289	1,939,199
State grants and contracts	10,032,781	9,122,875
Non-governmental contracts	1,024,711	1,110,084
Auxiliary enterprises (net of \$2,449,503 scholarship book allowance)	2,674,669	2,543,011
Other operating revenues	60,389	40,292
<b>TOTAL OPERATING REVENUES</b>	<b>33,449,747</b>	<b>33,640,874</b>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Salaries	20,148,143	20,572,973
Benefits	6,100,873	6,022,664
Scholarships	8,483,002	9,335,395
Utilities	961,433	935,422
Supplies and other services	11,428,787	10,055,348
Auxiliary resale costs	3,983,417	4,278,232
Depreciation	2,549,878	2,450,719
<b>TOTAL OPERATING EXPENSES</b>	<b>53,655,533</b>	<b>53,650,753</b>
<b>OPERATING LOSS</b>	<b>(20,205,786)</b>	<b>(20,009,879)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	6,493,776	6,210,945
State appropriations-CHE	2,611	2,713
Local appropriations	2,983,018	2,889,507
Federal grants and contracts	11,103,979	12,605,758
State grants and contracts	222,851	444,749
Other nonoperating revenues	1,116,522	991,665
Interest income	213,124	207,957
Gain(Loss) on disposal of assets	-	(1,518)
Interest on capital asset-related debt	(242,046)	(256,632)
<b>NET NONOPERATING REVENUES</b>	<b>21,893,835</b>	<b>23,095,144</b>
<b>INCOME BEFORE OTHER REVENUE, EXPENSES AND GAINS OR LOSSES</b>	<b>1,688,049</b>	<b>3,085,265</b>
NSF-CORD	1,635	8,308
State appropriations-Lottery Technology (Equipment)	338,852	193,453
State Capital reserve-Lottery Tech-Deferred Maintenance	290,809	532,968
State Capital reserve-State App Surplus - Traffic Flow	500,000	0
Foundation Technology	-	-
Local capital appropriations	1,160,535	1,160,955
<b>TOTAL OTHER</b>	<b>2,291,831</b>	<b>1,895,684</b>
<b>INCREASE IN NET POSITION</b>	<b>3,979,880</b>	<b>4,980,949</b>
<b>NET POSITION</b>		
<b>NET POSITION - BEGINNING OF THE YEAR</b>	<b>60,708,721</b>	<b>55,727,772</b>
<b>NET POSITION - END OF THE YEAR</b>	<b>\$ 64,688,601</b>	<b>\$ 60,708,721</b>

See accompanying notes to financial statements.

**Statement of Cash Flows**  
**Tri-County Technical College**  
For the years ended June 30, 2013 and June 30, 2012

	<u>FY13</u>	<u>FY12</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 18,180,767	\$ 18,686,659
Federal grants & contracts	(6,536,028)	(5,696,136)
State grants & contracts	9,773,993	9,930,903
Non governmental grants & contracts	973,835	1,226,855
Auxiliary Enterprise	(1,385,747)	(1,583,734)
Payments to suppliers	(12,434,526)	(11,034,437)
Payments to employees	(26,193,553)	(26,541,644)
Other receipts	60,389	40,292
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(17,560,870)</u>	<u>(14,971,242)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	6,233,445	6,213,658
Local appropriations	2,983,018	2,889,507
Federal grants and contracts	11,103,979	12,605,758
State grants and contracts	222,851	444,749
Other grants and contracts	1,116,522	991,665
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>21,659,815</u>	<u>23,145,337</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
County appropriations for capital	1,160,535	1,160,955
Federal grants for capital	1,635	8,308
Local grants for capital	0	0
State lottery technology	629,661	193,453
State capital reserve - deferred maintenance	500,000	532,968
Purchases of capital assets	(4,936,004)	(1,719,572)
Proceeds from capital assets	0	35,960
Principle paid on capital debt	(365,000)	(375,939)
Interest paid on capital debt	(242,046)	(256,632)
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>\$ (3,251,219)</u>	<u>\$ (420,499)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	213,124	207,957
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>\$ 213,124</u>	<u>\$ 207,957</u>
<b>NET INCREASE IN CASH</b>	1,060,850	7,961,553
<b>CASH - BEGINNING OF THE YEAR</b>	<u>29,865,517</u>	<u>21,903,964</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 30,926,367</u></u>	<u><u>\$ 29,865,517</u></u>

See accompanying notes to financial statements.

**Statement of Cash Flows**  
**Tri-County Technical College**  
**For the years ended June 30, 2013 and June 30, 2012**

	<u>FY13</u>	<u>FY12</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating expenses over revenues	\$ (20,205,786)	\$ (20,009,879)
Depreciation expense	2,549,878	2,450,719
 <b>CHANGES IN ASSETS AND LIABILITIES</b>		
Accounts receivable	507,665	3,188,847
Inventory	(76,999)	151,487
Prepaid expenses	(44,307)	(43,667)
Accounts payable	26,603	(135,260)
Unearned revenue	(373,387)	(627,482)
Accrued liabilities	6,818	(17,793)
Compensated absences	48,645	71,786
 <b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ (17,560,870)</u></u>	<u><u>\$ (14,971,242)</u></u>

See accompanying notes to financial statements.

Component Unit of  
Tri-County Technical College

**TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		JUNE 30,	
		2013	2012
<b>ASSETS</b>			
Cash and Cash Equivalents	\$	1,093,773	\$ 566,010
Board-designated Cash		35,482	11,452
Pledges Receivable, Net		427,552	630,218
Accrued Interest Receivable		59,619	76,432
Student Loans Receivable		2,831	6,757
Investments		17,879,964	16,303,710
Property, Plant and Equipment, Net		7,699,887	7,831,374
Bond Issue Costs, Net		38,551	41,701
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>27,237,659</b>	<b>\$ 25,467,654</b>
<b>LIABILITIES AND NET ASSETS</b>			
Accounts Payable	\$	43,800	\$ 24,047
Bonds Payable		5,750,000	6,115,000
<b>Total Liabilities</b>		<b>5,793,800</b>	<b>6,139,047</b>
<b>Net Assets</b>			
Unrestricted		1,621,187	1,736,596
Unrestricted, Board-designated		1,593,567	1,355,682
Temporarily Restricted		5,754,479	3,950,759
Permanently Restricted		12,474,626	12,285,570
<b>Total Net Assets</b>		<b>21,443,859</b>	<b>19,328,607</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b>27,237,659</b>	<b>\$ 25,467,654</b>

Component Unit of  
Tri-County Technical College

**TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

	YEAR ENDED JUNE 30,				
	2013				2012
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	COMBINED TOTAL	COMBINED TOTAL
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Contributions	\$ 21,704	\$ 263,630	\$ 196,985	\$ 482,319	\$ 492,310
Investment Income	-	384,352	-	384,352	300,665
Net Realized Gains on Investments	-	2,850,484	-	2,850,484	104,702
Net Unrealized Gains (Losses) on Investments	-	(1,032,036)	-	(1,032,036)	(171,138)
Partnership Income (Loss)	-	(6,427)	-	(6,427)	(29,937)
Rental Income	655,675	-	-	655,675	642,706
Interest Income	1,146	7,941	-	9,087	5,833
Other Income	89,375	51,049	-	140,424	50,343
	<b>767,900</b>	<b>2,518,993</b>	<b>196,985</b>	<b>3,483,878</b>	<b>1,395,484</b>
<b>Total Revenues, Gains, and Other Support</b>	<b>715,273</b>	<b>(715,273)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets Released from Restrictions</b>					
<b>EXPENSES</b>					
<b>Program Services</b>					
Scholarships	353,185	-	-	353,185	389,689
Educational Support	265,906	-	-	265,906	246,590
Pledge Discount	(919)	-	-	(919)	(29,469)
Depreciation and Amortization	164,985	-	-	164,985	164,984
<b>Management and General</b>	234,229	-	-	234,229	177,204
Interest Expense	264,834	-	-	264,834	279,859
Fundraising	86,406	-	-	86,406	92,678
	<b>1,368,626</b>	<b>-</b>	<b>-</b>	<b>1,368,626</b>	<b>1,321,535</b>
<b>Total Expenses</b>	<b>114,547</b>	<b>1,803,720</b>	<b>196,985</b>	<b>2,115,252</b>	<b>73,949</b>
<b>Change in Net Assets from Operations</b>	3,092,278	3,950,759	12,285,570	19,328,607	19,254,658
<b>NET ASSETS, BEGINNING OF YEAR</b>					
	7,929	-	(7,929)	-	-
<b>Non-Operating Reclassifications of Net Assets</b>					
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 3,214,754</b>	<b>\$ 5,754,479</b>	<b>\$ 12,474,626</b>	<b>\$ 21,443,859</b>	<b>\$ 19,328,607</b>

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE  
June 30, 2013 and June 30, 2012

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations:** Tri-County Technical College (“*the College*”), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Anderson, Oconee, and Pickens counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College’s service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

**Reporting Entity:** The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. During fiscal year 2012-13, the State of South Carolina implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* an amendment of GASB Statements No. 14 and No. 34. As a result of this implementation, the College will now be reported as a discretely presented component unit on the State of South Carolina’s Comprehensive Annual Financial Report. Discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the primary government instead of blending the College’s financial information into the State’s financial information. The financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the “Foundation”), its component unit. However, based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 39 member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation’s operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Because it is considered impractical to reformat the nongovernmental data into the governmental format, no modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences.

However, significant note disclosures to the Foundation’s financial statements have been incorporated into the College’s notes to the financial statements. (See the Component Unit Section within this Summary of Significant Accounting Policies and Notes 13 and 18.) Financial statements for the Foundation can be obtained by mailing a request to Tri-County Technical College Foundation, P.O. Box 587, Pendleton, SC 29670.

NOTES TO THE FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Financial Statements:** The financial statement presentation for the College meets the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net position, revenues, expenses and changes in net position and cash flows that replaces the fund-group perspective previously required. For 2013, the College implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the College's 2013 financial statements; however, there was no effect on beginning net position/fund balance. The financial statements are presented within the College's Comprehensive Annual Financial Report (CAFR). The CAFR also includes an introductory section and statistical section. The College's CAFR meets the requirements of the new GASB Statement No. 44 on the Statistical Section.

**Basis of Accounting:** For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated. The College has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

**Cash and Cash Equivalents:** For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

**Investments:** Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds". During the year ended June 30, 2005, the College implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3*. This statement requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The college accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

**Accounts Receivable:** Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Details for accounts receivable are discussed in Note 3.

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2013, the allowance for uncollectible student accounts is \$450,000. At June 30, 2012, the allowance for uncollectible student accounts is \$510,000.



NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Inventories:** Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

**Capital Assets:** Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. Until fiscal year 2012 a full year of depreciation was taken the year the asset was placed in service and no depreciation was taken in the year of disposition. However, a memorandum from the South Carolina Office of Comptroller General was received on April 5, 2012 issuing a depreciation method change. *“Effective July 1, 2011 (FY12), all new purchases for capital assets should utilize a monthly depreciation convention for the straight-line method.”*

**Unearned Revenues and Deposits:** Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned. At June 30, 2013, unearned revenue for tuition and fees totaled \$1,223,953 and other unearned revenue totaled \$782,499. At June 30, 2012, unearned revenue for tuition and fees totaled \$1,224,595 and other unearned revenue totaled \$1,155,154.

**Compensated Absences:** Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets. At June 30, 2013, accumulated unpaid vacation time amounted to \$1,354,446. At June 30, 2012, accumulated unpaid vacation time amounted to \$1,305,801.

**GASB 54:** GASB 54 fund balance classification terminology changes pertain to *Governmental Fund Types*. The Colleges and Universities operate under *Business Type Activity* and are exempt from GASB 54.

**Net Position:** The College's net position is classified as follows:

*Net Investment in Capital Assets:* This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

*Restricted net assets - expendable:* Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*Restricted net assets – non-expendable:* Non-expendable restricted net assets consist of endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

*Unrestricted net assets:* Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

**Income Taxes:** The College is exempt from income taxes under the Internal Revenue Code.

**Classification of Revenues and Expenses:** The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

*Operating Revenues and Expenses:* Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

*Non-operating Revenues and Expenses:* Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Beginning fiscal year 2010, the SC Comptroller General's office mandated that Pell grants be re-classified as non-operating revenues from operating revenues; therefore, the FY09 and FY08 financial statements were restated in order to standardize comparisons between FY08, FY09, FY10 and FY11. State Fiscal Stabilization Funds are reported as Federal non-operating revenues in the financial statements, with a portion reported as capital grants if appropriate.

**Auxiliary Enterprises and Internal Service Activities:** Auxiliary enterprise revenues primarily represent revenues generated by bookstore and printing services. Revenues of internal service and auxiliary enterprise activities and the related expenses of college departments have been eliminated.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**Scholarship Discounts and Allowances** Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, and other federal, state or non-governmental programs, are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

**NOTE 2 -- STATE APPROPRIATIONS**

State funds for operations for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the colleges in a uniform and equitable manner.

The following is a detail schedule of State appropriations revenue reported in the financial statements for the **fiscal year ended June 30, 2013:**

**NON-CAPITAL APPROPRIATIONS**

Appropriations per Annual Appropriations Act .....	\$ 6,493,776
From Commission on Higher Education:	
Academic Endowment .....	<u>2,611</u>

<b>Total Non-Capital Appropriations Recorded as Current Year Revenue</b>	<b><u>\$ 6,496,387</u></b>
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**CAPITAL APPROPRIATIONS**

State Lottery Technology Appropriations .....	338,852
State Capital Reserve – Lottery Technology- Deferred Maintenance .....	290,809
State Capital Reserve Fund-State Appropriations Surplus – Traffic Flow Improvement....	<u>500,000</u>

<b>Total Capital Appropriations Recorded as Current Year Revenue</b>	<b><u>\$ 1,129,661</u></b>
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The following is a detail schedule of State appropriations revenue reported in the financial statements for the **fiscal year ended June 30, 2012:**

**NON-CAPITAL APPROPRIATIONS**

Appropriations per Annual Appropriations Act .....	\$ 6,210,945
From Commission on Higher Education:	
Academic Endowment .....	<u>2,713</u>

<b>Total Non-Capital Appropriations Recorded as Current Year Revenue</b>	<b><u>\$ 6,213,658</u></b>
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**CAPITAL APPROPRIATIONS**

State Lottery Technology Appropriations .....	193,453
Capital Reserve Fund-Deferred Maintenance.....	<u>532,968</u>

<b>Total Capital Appropriations Recorded as Current Year Revenue</b>	<b><u>\$ 726,421</u></b>
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NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 3 – CASH, DEPOSITS AND INVESTMENTS**

**Deposits:** The College complies with Section 11-13-30 of the South Carolina Code of Laws and Attorney General's opinion, which permit only the State Treasurer to invest funds of State agencies. It is permitted to place cash reserves (fund balances) of the College in a bank with insured deposits under FDIC. A cash management plan of the bank that includes overnight purchase of U. S. Treasury notes is used to maximize earnings that become available on deposits. Under State statute, all deposits in excess of FDIC limits must be backed by the bank with satisfactory collateral assigned to the College and placed in escrow.

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that a government will not be able to recover deposits if the depository financial institution fails to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails.

Each night the College's deposits are transferred to an over-night repurchase agreement leaving a minimal amount in the actual bank account. The over-night repurchase investments include the total amount of cash in the bank prior to application of outstanding checks.

As a result of this cash management policy, the College's deposits at June 30, 2013 were (\$1,069,772) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

Deposits include cash and cash equivalents on deposit in banks and held by the State Treasurer. At June 30, 2013, the State Treasurer held \$399 in its pooled cash in accounting funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2013, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

**Fiscal year 2013 information:**

Statement of Net Position:

Cash and cash equivalents	\$ 30,925,968
Restricted cash and cash equivalents:	
<u>Capital Projects</u>	<u>399</u>
Total Statement of Net Position	\$ 30,926,367

Deposit and Investments Note:

Petty cash on hand	\$ 5,150
Bank accounts	(\$698,101)
Investments	31,618,919
<u>Held by State Treasurer</u>	<u>399</u>
Total Deposits and Investments Note	\$ 30,926,367

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**Fiscal year 2012 information:**

As a result of this cash management policy, the College's deposits at June 30, 2012 were (\$689,557) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 3 – CASH, DEPOSITS AND INVESTMENTS-continued**

Deposits include cash and cash equivalents on deposit in banks and held by the State Treasurer. At June 30, 2012, the State Treasurer held \$376 in its pooled cash in funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2012, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

**Fiscal year 2012 information:**

Statement of Net Position:

Cash and cash equivalents	\$ 29,865,141
Restricted cash and cash equivalents:	
<u>Capital Projects</u>	<u>376</u>
<b>Total Statement of Net Position</b>	<b>\$ 29,865,517</b>

Deposit and Investments Note:

Petty cash on hand	\$ 5,150
Bank accounts	(319,582)
Investments	30,179,573
<u>Held by State Treasurer</u>	<u>376</u>
<b>Total Deposits and Investments Note</b>	<b>\$ 29,865,517</b>

**Foreign Currency Risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not maintain deposits that are denominated in a currency other than the United States dollar, therefore, the college is not exposed to this risk.

**Investments:** The College is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College's investments at June 30, 2013, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	Fair Value <u>Amount</u>	<u>Investment Maturities (in years)</u>		
		Less <u>Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements.....	\$31,618,919	X		

The College's investments at June 30, 2012, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	Fair Value <u>Amount</u>	<u>Investment Maturities (in years)</u>		
		Less <u>Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements.....	\$30,179,573	X		

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 4 -- ACCOUNTS RECEIVABLE**

Receivables at **June 30, 2013:**

Student Accounts		\$ 1,587,785
Other Accounts		316,715
Due from Federal and Other Grantors		<u>1,387,658</u>
	Gross Receivables	\$ 3,292,158
Less: Allowance for Uncollectible Accounts:		
Student Accounts		<u>\$ 450,000</u>
	Net Receivables	<u>\$ 2,842,158</u>

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Receivables at **June 30, 2012:**

Student Accounts		\$ 1,962,952
Other Accounts		209,646
Due from Federal and Other Grantors		<u>1,317,213</u>
	Gross Receivables	\$ 3,489,811
Less: Allowance for Uncollectible Accounts:		
Student Accounts		<u>\$ 510,000</u>
	Net Receivables	<u>\$ 2,979,811</u>

**NOTE 5 – ACCOUNTS PAYABLE**

Accounts payable as of **June 30, 2013**, is summarized as follows:

Operations-Accounts Payable	\$ 977,829
Due to Federal and Other Grantors	19,073
Other	<u>585,335</u>
Total Accounts Payable	<u>\$ 1,582,237</u>

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Accounts payable as of **June 30, 2012**, is summarized as follows:

Operations-Accounts Payable	\$ 865,496
Due to Federal and Other Grantors	104,803
Other	<u>1,227,555</u>
Total Accounts Payable	<u>\$ 2,197,854</u>

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 6 -- CAPITAL ASSETS**

The activity in the College's capital assets for the fiscal year ended **June 30, 2013** is as follows:

	Beginning Balance 30-Jun-12	Increases	Decreases	Ending Balance 30-Jun-13
<b>Capital Assets not being depreciated:</b>				
Land	2,281,246	-	-	2,281,246
Construction in Progress	2,277,036	336,707	2,277,036	336,707
<b>Total Capital Assets not     being depreciated</b>	<b>4,558,282</b>	<b>336,707</b>	<b>2,277,036</b>	<b>2,617,953</b>
<b>Other Capital Assets:</b>				
Buildings	32,672,187	-	-	32,672,187
Depreciable Building Improvements	8,893,475	4,390,491	-	13,283,966
Depreciable Land Improvements	3,603,831	760,686	-	4,364,517
Machinery, equipment, other	8,031,313	957,898	476,079	8,513,132
Vehicles	537,733	18,057	18,900	536,890
Capital Lease Assets	8,000,000	-	-	8,000,000
Capital Leasehold Improvement	2,531,661	-	-	2,531,661
<b>Total Other Capital Assets     at Historical Costs</b>	<b>64,270,200</b>	<b>6,127,132</b>	<b>494,979</b>	<b>69,902,353</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	-14,024,382	-783,180	-	-14,807,562
Depreciable Building Improvements	-3,580,586	-458,184	-	-4,038,770
Depreciable Land Improvements	-1,990,598	-170,644	-	-2,161,242
Machinery, equipment, and other	-6,859,044	-520,395	476,079	-6,903,360
Vehicles	-409,560	-39,602	18,900	-430,262
Capital Lease Assets	-2,526,313	-421,053	-	-2,947,366
Capital Leasehold Improvements	-863,410	-156,821	-	-1,020,231
<b>Total Accumulated Depreciation</b>	<b>-30,253,893</b>	<b>-2,549,879</b>	<b>494,979</b>	<b>-32,308,793</b>
<b>Other Capital Assets, net</b>	<b>34,016,307</b>	<b>3,577,253</b>	<b>-</b>	<b>37,593,560</b>
<b>Capital Assets, Net</b>	<b>\$38,574,589</b>	<b>3,913,960</b>	<b>2,277,036</b>	<b>\$40,211,513</b>

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 6 -- CAPITAL ASSETS-continued**

The activity in the College's capital assets for the fiscal year ended **June 30, 2012** is as follows:

	Beginning Balance 30-Jun-11	Increases	Decreases	Ending Balance 30-Jun-12
<b>Capital Assets not being depreciated:</b>				
Land	2,317,620	-	36,374	2,281,246
Construction in Progress	176,698	2,100,338	-	2,277,036
<b>Total Capital Assets not         being depreciated</b>	<b>2,494,318</b>	<b>2,100,338</b>	<b>36,374</b>	<b>4,558,282</b>
<b>Other Capital Assets:</b>				
Buildings	32,672,187	-	-	32,672,187
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Machinery, equipment, other	8,084,624	809,907	863,218	8,031,313
Vehicles	479,510	58,223	-	537,733
Capital Lease Assets	8,000,000	-	-	8,000,000
Capital Leasehold Improvement	2,531,661	-	-	2,531,661
<b>Total Other Capital Assets         at Historical Costs</b>	<b>64,265,288</b>	<b>868,130</b>	<b>863,218</b>	<b>64,270,200</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	-13,241,202	-783,180	-	-14,024,382
Depreciable Building Improvements	-3,224,847	-355,739	-	-3,580,586
Depreciable Land Improvements	-1,835,802	-154,796	-	-1,990,598
Machinery, equipment, and other	-7,179,422	-541,736	862,114	-6,859,044
Vehicles	-372,166	-37,394	-	-409,560
Capital Lease Assets	-2,105,260	-421,053	-	-2,526,313
Capital Leasehold Improvements	-706,589	-156,821	-	-863,410
<b>Total Accumulated Depreciation</b>	<b>-28,665,288</b>	<b>-2,450,719</b>	<b>862,114</b>	<b>-30,253,893</b>
<b>Other Capital Assets, net</b>	<b>35,600,000</b>	<b>-1,582,589</b>	<b>1,104</b>	<b>34,016,307</b>
<b>Capital Assets, Net</b>	<b>\$38,094,318</b>	<b>517,749</b>	<b>37,478</b>	<b>\$38,574,589</b>



NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 7 -- PENSION PLAN(S)**

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to The South Carolina Retirement System, PO Box 11960, Columbia, South Carolina 29211. Furthermore, the Retirement System and the four pension plans are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are actuarially determined. 100% of the required contributions for each cost-sharing pension were made. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

**South Carolina Retirement System**

The majority of employees of the College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

South Carolina Retirement System						
Employee Contribution		Employer Contribution				
Fiscal Year	Percentage Rate	Percentage Rate	Insurance Surcharge	Actual Contributions	Group Life Contributions	Group Life Rate
2013	7.00% <sup>1</sup>	10.45% <sup>2</sup>	4.55% <sup>3</sup>	1,525,328	21,895	0.15%
2012	6.50%	9.39%	4.30%	1,384,778	22,133	0.15%
2011	6.50%	9.24%	3.90%	1,342,951	21,801	0.15%
2010	6.50%	9.24%	3.50%	1,324,221	21,497	0.15%

<sup>1</sup> Increase of .50% due to PEBA mandate

<sup>2</sup> Increase of 1.065 % due to rising costs funding South Carolina Retirement System

<sup>3</sup> Increase of .25% due to rising health and dental costs for retirees

**Police Officers Retirement System**

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 7 -- PENSION PLAN(S) – continued**

benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Police Officers Retirement System							
Employee Contribution		Employer Contribution					
Fiscal Year	Percentage Rate	Percentage Rate	Insurance Surcharge	Actual Contributions	Group Life Contributions	Group Life Rate	Accidental Death Rate
2013	7.00% <sup>1</sup>	11.90% <sup>2</sup>	4.55% <sup>3</sup>	14,697	247	0.20%	0.20%
2012	6.50%	11.36%	4.30%	16,848	297	0.20%	0.20%
2011	6.50%	11.13%	3.90%	17,196	309	0.20%	0.20%
2010	6.50%	10.65%	3.50%	14,636	275	0.20%	0.20%

<sup>1</sup> Increase of .50% due to PEBA mandate  
<sup>2</sup> Increase of .537% due to rising costs funding South Carolina Retirement System  
<sup>3</sup> Increase of .25% due to rising health and dental costs for retirees

**Optional Retirement Program**

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The State ORP, which is administered by the South Carolina Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**Note 7 – PENSION PLAN(S) - continued**

Optional Retirement Program						
Employee Contribution		Employer Contribution				
Fiscal Year	Percentage Rate	Percentage Rate	Insurance Surcharge	Actual Contributions	Group Life Contributions	Group Life Rate
2013	7.00% <sup>1</sup>	5.45% <sup>2</sup>	4.55% <sup>3</sup>	165,351	4,551	0.15%
2012	6.50%	4.39%	4.30%	126,329	4,321	0.15%
2011	6.50%	4.24%	3.90%	113,268	4,007	0.15%
2010	6.50%	4.24%	3.50%	102,200	3,616	0.15%

<sup>1</sup> Increase of .50 % due to PEBA mandate  
<sup>2</sup> Increase of 1.065 % due to rising costs funding South Carolina Retirement System  
<sup>3</sup> Increase of .25% due to rising health and dental costs for retirees

**Deferred Compensation Plans**

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the College have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

**Teacher and Employee Retention Incentive**

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI Program will be required to make SCRS contributions. Due to the South Carolina Supreme Court decision in *Layman et al v. South Carolina Retirement System and the State of South Carolina*, employees who chose to participate in the TERI Program, prior to July 1, 2005 will not be required to make SCRS contributions. SCRS employer contribution increased by .26% effective July 1, 2008.

**NOTE 8 – POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS**

**a. Plan Description**

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. “Agency” contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

**b. Funding Policies**

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations.

Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget:

Employer RMP Rate

<u>Fiscal Year</u>	<u>Percentage Rate</u>
2013	4.55%
2012	4.30%
2011	3.90%
2010	3.50%

The EIP sets the employer contribution rate based on a pay-as-you-go basis. Tri-County Technical College recorded benefit expenses for these insurance benefits (health and dental) for active employees as follows:

Employer Health and Dental Contributions

<u>Fiscal Year</u>	<u>Health/ Dental</u>
2013	1,690,689
2012	1,598,714
2011	1,499,444
2010	1,406,842

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 8 – POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS - Continued**

As discussed in Note 7, the College paid SCRS, PORS and ORP including the insurance surcharge rates listed in the previous note as follows:

Employer Portion SCRS, PORS, ORP

Fiscal Year	SRCS	PORS	ORP	Total Paid
2013	686,033	5,866	142,597	834,496
2012	656,607	6,672	128,202	791,481
2011	566,830	6,025	104,186	677,041
2010	501,599	4,810	84,363	590,772

These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits. 100% of the contributions for each of the Post-Employment Benefits plans were made.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

**NOTE 9 -- CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS**

In the opinion of College management, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College's financial position.

At **June 30, 2013**, the College completed phases one and two of the Industrial Technology Center and capitalized the costs as depreciable buildings in the current year. The College also completed a traffic flow improvement project that was capitalized as depreciable land improvements in the current year.

The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding of the Anderson Quick Jobs project out of current resources.

Project Name and Number	Estimated Project Cost	Expenditures Through <b>June 30, 2013</b>
Anderson Quick Jobs Building	\$ 860,000	\$ 336,707
<b>Total Construction in Progress</b>	<b>\$ 860,000</b>	<b>\$ 336,707</b>

The remaining commitments for signed contracts as of June 30 2013 total \$802,291.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 9 -- CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS - Continued**

At **June 30, 2012**, the College continued the first phase renovation of the Industrial Technology Center and began phase II. The College also began a traffic flow improvement project that will be capitalized as depreciable land improvements on completion. The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding of project H59-6018 out of current resources and Institutional Capital Project funds held by the State Treasurer. The other two projects are being funded out of current resources.

Project Name and Number	Estimated Project Cost	Expenditures Through <b>June 30, 2012</b>
TCTC Welding/HVAC Building Renovation (Industrial Technology Center)H59-6018	\$ 2,987,000	\$ 1,858,556
TCTC Welding/HVAC Building Phase II (no number required)	\$ 990,000	369,057
Traffic Flow Improvement Project (no number required)	\$ 650,000	49,422
<b>Total Construction in Progress</b>	<b>\$ 4,627,000</b>	<b>\$ 2,277,035</b>

The remaining commitments for signed contracts as of June 30 2012 total \$2,329,946.

**NOTE 10 -- LEASE OBLIGATIONS**

**For fiscal year ending June 30, 2013**, Tri-County Technical College has Operating leases and one (1) capital lease obligation. Current year operating lease expenses were \$641,158. The following are the operating lease obligations of the College:

Year Ended <u>June 30,</u>	Operating leases <u>with external parties</u>
2014	\$603,509
2015	\$559,367
2016	\$246,557
2017	\$ 22,047
2018	\$ 1,837

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$127,414.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 10 -- LEASE OBLIGATIONS—continued**

The College acquired a nineteen-year capital lease related to the Anderson Campus building from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

The following is the capital lease obligations of the College as of **June 30 2013:**

Year Ended June 30,	Capital leases with external parties
2014	606,848
2015	606,038
2016	604,616
2017	607,480
2018	604,630
2019-2023	3,028,370
2024-2025	<u>1,213,042</u>
TOTAL	\$7,271,024
Less: Interest	<u>1,521,024</u>
Present value of net minimum lease payments	<u>\$5,750,000</u>

**Fiscal Year 2013**

	Capital lease assets with external parties
Assets acquired under capital lease:	
Anderson Campus building	<u>\$8,000,000</u>
Total assets acquired under capital lease	\$8,000,000
Less: accumulated depreciation	<u>(2,947,365)</u>
Assets acquired under capital leases, net	<u>\$5,052,635</u>

**For fiscal year ending June 30, 2012,** Tri-County Technical College has Operating leases and one (1) capital lease obligation. Current year operating lease expenses were \$499,705. The following are the operating lease obligations of the College:

Year Ended <u>June 30,</u>	Operating leases <u>with external parties</u>
2013	\$554,195
2014	\$382,577
2015	\$338,435
2016	\$ 89,905

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$36,613.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 10 -- LEASE OBLIGATIONS—continued**

The College acquired a nineteen-year capital lease from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

The following is the capital lease obligations of the College as of **June 30 2012:**

Year Ended	Capital leases with external parties
June 30,	
2013	607,046
2014	606,848
2015	606,038
2016	604,616
2017	607,480
2018-2022	3,029,350
2023-2025	<u>1,816,692</u>
TOTAL	\$7,878,070
Less: Interest	<u>1,763,070</u>
Present value of net minimum lease payments	<u>\$6,115,000</u>

**Fiscal Year 2012**

	Capital lease assets with external parties
Assets acquired under capital lease:	
Anderson Campus building	<u>\$8,000,000</u>
Total assets acquired under capital lease	\$8,000,000
Less: accumulated depreciation	<u>(2,526,313)</u>
Assets acquired under capital leases, net	<u>\$5,473,687</u>

**NOTE 11 -- LOAN PAYABLE-SHORT TERM**

As of **June 30, 2013** no short term loan payable were owed.

	\$ 0.00
Total Loans Payable	<u>\$ 0.00</u>

Short term Loan payable was paid in full as of **June 30, 2012.**

State Energy Program	\$ 0.00
Total Loans Payable	<u>\$ 0.00</u>



NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 12 -- LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2013 was as follows:

	June 30, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	<b>June 30,</b> <b>2013</b>	Due Within <u>One Year</u>
Capital Lease Payable	6,115,000	-	365,000	5,750,000	380,000
Accrued Compensated Absences	1,305,801	219,041	170,396	1,354,446	135,445
Total Long-term Liabilities	<u>\$7,420,801</u>	<u>\$ 219,041</u>	<u>\$ 535,396</u>	<u>\$ 7,104,446</u>	<u>\$ 515,445</u>

Long-term liability activity for the year ended June 30, 2012 was as follows:

	June 30, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	<b>June 30,</b> <b>2012</b>	Due Within <u>One Year</u>
Capital Lease Payable	6,465,000	-	350,000	6,115,000	365,000
Accrued Compensated Absences	1,234,015	174,492	102,706	1,305,801	130,580
Total Long-term Liabilities	<u>\$7,699,015</u>	<u>\$ 174,492</u>	<u>\$ 452,706</u>	<u>\$ 7,420,801</u>	<u>\$ 495,580</u>

Additional information regarding Lease Payable is in Note 10

**NOTE 13 -- RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS**

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include the Tri-County Technical College Foundation.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB Statement No. 39. Because of the nature and the significance of its relationship with the College, the Foundation is considered a component unit of the College.

The Foundation reimburses the College for any purchases of goods and services made by the College on behalf of the Foundation. The Foundation reimburses the College for office space and support services provided to the Foundation. The College considers the Foundation a third-party sponsor when scholarships are granted to students. See note 18 for further information.

NOTES TO FINANCIAL STATEMENTS  
*TRI-COUNTY TECHNICAL COLLEGE*

**NOTE 14 -- RISK MANAGEMENT**

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits
- Employees elect health insurance coverage through either a  
Health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

- Theft, damage to, or destruction of assets
- Real property, its contents, and other equipment
- Motor vehicles and watercraft
- Torts Natural disasters
- Medical malpractice claims against the Infirmary

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 15 -- OPERATING EXPENSES BY FUNCTION**

Operating expenses by functional classification for the year ended **June 30, 2013** are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	12,783,849	3,680,698			53,510	4,115,047		\$20,633,104
Academic Support	1,793,279	540,309				498,671		\$2,832,259
Student Services	2,664,948	800,221				2,027,940		\$5,493,109
Operation and Maintenance of Plant	577,584	209,539		954,097		3,614,488		\$5,355,708
Institutional Support	2,128,193	811,304				615,490		\$3,554,987
Scholarships			8,483,002					\$8,483,002
Auxiliary Enterprises	200,290	58,802		7,336	3,929,907	557,151		\$4,753,486
Depreciation							2,549,878	\$2,549,878
Total Operating Expenses	<u>\$20,148,143</u>	<u>\$6,100,873</u>	<u>\$8,483,002</u>	<u>\$961,433</u>	<u>\$3,983,417</u>	<u>\$11,428,787</u>	<u>\$2,549,878</u>	<u>\$53,655,533</u>

Operating expenses by functional classification for the year ended **June 30, 2012** are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	13,158,785	3,691,639			58,171	3,474,850		\$20,383,445
Academic Support	1,841,534	530,776				552,513		\$2,924,823
Student Services	2,734,674	808,307				1,977,077		\$5,520,058
Operation and Maintenance of Plant	583,864	217,010		928,385		2,840,688		\$4,569,947
Institutional Support	2,107,065	724,189				554,945		\$3,386,199
Scholarships			9,335,395					\$9,335,395
Auxiliary Enterprises	147,051	50,743		7,037	4,220,061	655,275		\$5,080,167
Depreciation							2,450,719	\$2,450,719
Total Operating Expenses	<u>\$20,572,973</u>	<u>\$6,022,664</u>	<u>\$9,335,395</u>	<u>\$935,422</u>	<u>\$4,278,232</u>	<u>\$10,055,348</u>	<u>\$2,450,719</u>	<u>\$53,650,753</u>

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 16 – AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING (ARRA FUNDS)**

No expenses were incurred by the College during fiscal year 2013 under American Recovery and Investment Act (ARRA) funding.

The schedules below list the individual funds and expenses and the expenses by functional classification.

<b>Fund</b>	<b>Fiscal Year Ending June 30 2013</b>
ARRA Energy Projects	\$0.00
ARRA Early Childhood Development Grant	\$0.00
ARRA EETC Weatherization Grant	<u>\$0.00</u>
Total expenditures incurred during fiscal year <b>June 30 2013</b>	<u>\$0.00</u>

Fiscal Year 2012:

The College incurred expenditures of \$119,258 during **fiscal year 2012** under American Recovery and Investment Act (ARRA) funding. These funds were awarded to the College via pass-through funding from the U.S. Department of Education, the U.S. Department of Labor, the U.S. Department of Energy, and the U.S. Department of Health and Human Services. ARRA funds were expended primarily for instructional salaries and fringe benefits, building and classroom renovations, instructional training enhancements for the Division of Corporate and Community Education, and expansion of information technology systems.

The schedules below list the individual funds and expenses and the expenses by functional classification.

<b>Fund</b>	<b>Fiscal Year Ending June 30 2012</b>
ARRA Energy Projects	18,278
ARRA Early Childhood Development Grant	564
ARRA EETC Weatherization Grant	<u>100,416</u>
Total expenditures incurred during fiscal year <b>June 30 2012</b>	<u>\$119,258</u>

Please note that all expenses, excluding the capitalized amount, are *included* in the schedule presented in Note 15 for year ended **June 30 2012**.

**USE OF ARRA FUNDS**

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Supplies / Services</u>	<u>Capitalized</u>	<u>Total</u>
Instruction	10,598	2,012	-	22,771	-	35,381
Operation and Maintenance of Plant	-	-	-	18,277	-	18,277
Scholarships	-	-	65,600	-	-	65,600
Total Operating Expenses	<u>10,598</u>	<u>2,012</u>	<u>65,600</u>	<u>41,048</u>	=	<u>119,258</u>

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 17 -- BUSINESS TYPE ACTIVITIES**

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FISCAL YEAR ENDING JUNE 30			
	<u>2013</u>	<u>2012</u>	Increase/ Decrease
Charges for services	\$33,449,747	\$33,640,874	(\$191,127)
Non-operating grants and contributions	15,639,494	17,139,636	(1,500,142)
Capital grants and contributions	2,291,831	1,895,684	396,147
Less: expenses	<u>(53,897,579)</u>	<u>(53,908,903)</u>	<u>11,324</u>
Net program revenue (expense)	<u>(2,516,507)</u>	<u>(1,232,709)</u>	<u>(1,283,798)</u>
Transfers:			
State appropriations	<u>6,496,387</u>	<u>6,213,658</u>	<u>282,729</u>
Total transfers	<u>6,496,387</u>	<u>6,213,658</u>	<u>282,729</u>
Change in net position	3,979,880	4,980,949	(1,001,069)
Net position-beginning	<u>60,708,721</u>	<u>55,727,772</u>	<u>\$4,980,949</u>
Net position-ending	<u>\$64,688,601</u>	<u>\$60,708,721</u>	<u>\$3,979,880</u>

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FISCAL YEAR ENDING JUNE 30			
	<u>2012</u>	<u>2011</u>	Increase/ Decrease
Charges for services	\$33,640,874	\$33,557,312	\$83,562
Non-operating grants and contributions	17,139,636	22,144,032	(5,004,396)
Capital grants and contributions	1,895,684	869,383	1,026,301
Less: expenses	<u>(53,908,903)</u>	<u>(59,339,446)</u>	<u>5,430,543</u>
Net program revenue (expense)	<u>(1,232,709)</u>	<u>(2,768,719)</u>	<u>1,536,010</u>
Transfers:			
State appropriations	<u>6,213,658</u>	<u>6,346,295</u>	<u>(132,637)</u>
Total transfers	<u>6,213,658</u>	<u>6,346,295</u>	<u>(132,637)</u>
Change in net position	4,980,949	3,577,576	1,403,373)
Net position-beginning	<u>55,727,772</u>	<u>52,150,196</u>	<u>\$3,577,576</u>
Net position-ending	<u>\$60,708,721</u>	<u>\$55,727,772</u>	<u>\$4,980,949</u>

NOTES TO FINANCIAL STATEMENTS  
*TRI-COUNTY TECHNICAL COLLEGE*

**NOTE 18 - COMPONENT UNIT INFORMATION**

**Nature of Operations**

Tri-county Technical College Foundation, Inc. (the “Foundation”), a nonprofit organization incorporated in the State of South Carolina, supports the advancement of Tri-County Technical College (the “College”) in its objectives for scientific, educational, and charitable purposes. The four classes of programs used to achieve the Foundation’s objectives are:

Scholarship Program – benefits eligible students who attend the College.

Technology Program – supports the physical equipment needs of the College.

Professional Development Program – supports the skill enhancement of the College’s faculty and staff.

Priority Needs Program – funds projects of the College as identified by the College’s management.

Tri-County Technical College Foundation, LLC (the “LLC”), a South Carolina limited liability company and a “disregarded entity” for federal income tax purposes, is a wholly-owned subsidiary of Tri-County Technical College Foundation, Inc. The LLC was created on March 18, 2005 as a real estate holding company for the construction of the Anderson, South Carolina campus of Tri-County Technical College.

TCTC Research Foundation, LLC (the “Research LLC”), a South Carolina limited liability company and a “disregarded entity” for federal income tax purposes, is a wholly-owned subsidiary of Tri-County Technical College Foundation, Inc. The Research LLC was formed with the primary purpose of promoting, encouraging and aiding scientific research and investigation at the College and transferring and licensing its technology.

**Summary of Significant Accounting Policies**

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of Tri-County Technical College Foundation, Inc. and its wholly-owned subsidiary, Tri-County Technical College Foundation, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

**Basis of Accounting**

The financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues are recognized when earned; expenses are recorded as incurred.

**Financial Statement Presentation**

In accordance with generally accepted accounting principles, the Foundation reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted – Net assets with no donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that may be met either by actions of the Foundation or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed restrictions that are to be maintained permanently by the Foundation, including contributions for endowments.

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Contributions**

In accordance with generally accepted accounting principles, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Foundation considers all liquid, non-equity instruments with remaining original maturity of three months or less to be cash equivalents. Money market funds awaiting reinvestment are not considered cash equivalents.

**Investments**

Investments in marketable securities with readily determinable fair market values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**Endowments**

The Foundation interprets the South Carolina Uniform Prudent Management of Institutional Funds Act (“SCUPMIFA” or “state law”) as requiring the Foundation to preserve the original fair value amount donated, in the absence of donor spending or preservation intentions. Therefore, the Foundation classifies as permanently restricted net assets the value of the original and subsequent donor gifts qualifying as endowments.

If the gift instrument requires all or a portion of endowment related earnings accumulations to be preserved rather than spent, they are classified as permanently restricted. Earnings accumulations without such donor-imposed restrictions are classified as temporarily restricted until appropriated for expenditure.

The Foundation, in accordance with SCUPMIFA, considers the following factors in deciding whether to accumulate or spend donor endowment funds earnings accumulations:

1. The duration and preservation of the endowment fund.
2. The purposes of the Foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the organization.
7. The Foundation’s investment policies.

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Pledges and Accounts Receivable**

Pledges receivable consist of unconditional promises to give that have met the criteria for recording as contributions. Pledges extending beyond one year are recorded at the present value of the expected future cash flows, using risk-adjusted discount rates derived from observed returns for comparable assets. Student loans receivable consist of amounts on loan to students of the College. Such loans were made from contributions received from the Scurry Foundation and the Bradford Foundation. The Foundation uses the allowance method to recognize the effect of pledges and accounts receivable deemed to be uncollectible. No allowance was recorded at June 30, 2013 or 2012.

**Property, Plant and Equipment**

The Foundation capitalizes all property and equipment acquisitions exceeding \$1,000. Purchased property and equipment is capitalized at cost. Property and equipment are depreciated over their estimated useful lives using the straight-line method of depreciation.

**Donated Material, Equipment, Services and Supplies**

Donated materials and equipment are recorded as contributions at their estimated fair market value at the date of donation. Donated services are not recorded as contributions unless they meet the criteria for recognition as contributed services.

**Income Taxes**

The Foundation is a charitable organization as described in Section 501(c)3 of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, it has been determined by the Internal Revenue Service that the Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is, therefore, not subject to federal excise taxes.

The Foundation is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to federal income tax on any unrelated business income. Management believes the Foundation continues to satisfy the requirements of its tax-exempt status. Management believes the Foundation has no uncertain tax positions at June 30, 2013. The Foundation is no longer subject to federal or state income tax examinations by taxing authorities for the years prior to 2010.

**Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses for the operating period. Actual results could differ significantly from those estimates.

**Subsequent Events**

The Foundation has evaluated subsequent events through August 30, 2013, which is the date the financial statements were available to be issued. Management believes that no events have occurred subsequent to June 30, 2013 that meet the requirements for adjustment or disclosure under accounting principles generally accepted in the United States.



NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Reclassifications**

Certain 2012 amounts have been reclassified to conform to the 2013 classifications. These reclassifications had no effect on the change in net assets.

**Pledges Receivable**

Pledges receivable at June 30, 2013 and 2012 consist of the following:

	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
Unconditional Promises to Give	\$ 445,076	\$ 648,660
Less Unamortized Discount	( 17,524 )	( 18,442 )
Net Unconditional Promises to Give	<b>\$ 427,552</b>	<b>\$ 630,218</b>
Amounts due in:		
Less than one year	\$ 274,873	\$ 304,049
One to five years	170,203	344,611
	<b>\$ 445,076</b>	<b>\$ 648,660</b>

Pledges receivable at June 30, 2013 and 2012 are reflected at the present value of estimated future cash flows using discount rates of 2.49% and 1.64%, respectively.

**Investments**

Investment assets consist predominantly of funds held in trust by the Commonfund, managed debt and equity funds, interests in private limited partnerships, and short-term Treasury instruments and money market funds.

The Commonfund is a non-profit membership corporation operated by and for its member college, university and independent schools. Participation in the Commonfund is limited to members in the fund. Members elect the governing Board of Trustees. The Commonfund offers a series of pooled investment funds, which are not separate legal entities and are exempt from registration under securities laws. Accounts of participants are stated in units, the initial cost of which is \$1,000. Thereafter, the value of each unit is based on the fair market value of all the assets in the fund(s) calculated in a manner prescribed by the Board of Trustees.

The Commonfund uses a variety of investment tools to accomplish its goal of earning a reasonable return for its members while mitigating risk. In general, securities for which there is an active market are stated at fair market value. Securities for which there is no sales price or bid/ask price are stated at fair market value as determined by the custodian of the fund or, in the case of investment partnerships, the most recent valuation data as reported by the general partners or managers.

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

The Foundation's investments at June 30, 2013 and 2012 were as follows:

	June 30,	
	2013	2012
Commonfund Investments	\$ 9,462,179	\$ 12,951,610
Debt and Equity Mutual Funds	6,394,655	1,136,672
Limited Partnership Investments	915,766	1,136,672
Morgan Keegan Alternative Funds	1,107,364	1,078,707
Total Investments	<u>\$ 17,879,964</u>	<u>\$ 16,303,710</u>
Fair Market Value of Investments	\$ 17,879,964	\$ 16,303,710
Cost of Investments	<u>13,312,086</u>	<u>10,447,864</u>
Unrealized Gains	<u>\$ 4,567,878</u>	<u>\$ 5,855,846</u>

The Foundation subscribed to and maintains interests in six restricted limited partnerships. The Foundation is restricted by the partnership agreements from divesting its interests without approval from the general partners. The Foundation bears all risks of investment in the partnerships for their duration, a date no later than June 30, 2020. The Foundation's subscription commitments total \$2,124,205 and range from \$230,000 to \$540,000 for each partnership. As of June 30, 2013, the Foundation's remaining commitments to the partnerships totaled \$298,310.

**Fair Value Measurements**

Generally accepted accounting principles (GAAP) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTES TO FINANCIAL STATEMENTS  
TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in valuation techniques during 2013 or 2012:

**Commonfund Investments, Mutual Funds, Treasury Investments and Money Market Funds:** Valued at the net asset value (“NAV”) of shares held at year- end.

**Limited Partnership Investments:** Valued at the observable fair market value of underlying assets and liabilities of the partnerships at year-end.

The methods described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation’s investments at fair value as of June 30, 2013 and 2012:

Assets at fair value as of June 30, 2013				
	Level 1	Level 2	Level 3	Total
Commonfund Investments	\$ 9,462,179	\$ -	\$ -	\$ 9,462,179
Mutual Funds	6,394,655	-	-	6,394,655
Money Market and Treasury Funds	1,107,364	-	-	1,107,364
Limited Partnerships	-	915,766	-	915,766
<b>Total investments at fair value</b>	<b>\$ 16,964,198</b>	<b>\$ 915,766</b>	<b>\$ -</b>	<b>\$ 17,879,964</b>

Assets at fair value as of June 30, 2012				
	Level 1	Level 2	Level 3	Total
Commonfund Investments	\$ 12,951,610	\$ -	\$ -	\$ 12,951,610
Mutual Funds	1,136,721	-	-	1,136,721
Money Market and Treasury Funds	1,078,707	-	-	1,078,707
Limited Partnerships	-	1,136,672	-	1,136,672
<b>Total investments at fair value</b>	<b>\$ 15,167,038</b>	<b>\$ 1,136,672</b>	<b>\$ -</b>	<b>\$ 16,303,710</b>

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Endowment Funds**

The Foundation has established four separate endowments (Scholarship, Technology, Professional Development, and Priority Needs). The endowments have separate purposes and uses, but maintain the overall theme of supporting and expanding the programs of education of Tri-County Technical College.

The following tables present changes to the Foundation's endowment funds for the years ended June 30, 2013 and 2012:

	<b>Technology</b>	<b>Professional Development</b>	<b>Scholarships</b>	<b>Priority Needs</b>	<b>Total</b>
<b>Endowment Balances at June 30, 2012</b>	<b>\$ 1,079,841</b>	<b>\$ 4,141,228</b>	<b>\$ 9,101,744</b>	<b>\$ 2,011,643</b>	<b>\$ 16,334,456</b>
Contributions	42,687	25,865	186,643	99,665	354,860
Investment Earnings and Net Gains (Losses)	137,301	545,121	1,219,386	214,303	2,116,111
Administrative Fees	( 5,968)	( 22,270)	( 48,602)	( 9,563)	( 86,403)
Other Expenditures	( 43,600)	( 110,814)	( 312,941)	( 195)	( 467,550)
<b>Endowment Balances at June 30, 2013</b>	<b>\$ 1,210,261</b>	<b>\$ 4,579,130</b>	<b>\$ 10,146,230</b>	<b>\$ 2,315,853</b>	<b>\$ 18,251,474</b>

	<b>Technology</b>	<b>Professional Development</b>	<b>Scholarships</b>	<b>Priority Needs</b>	<b>Total</b>
<b>Endowment Balances at June 30, 2011</b>	<b>\$ 1,015,285</b>	<b>\$ 4,159,506</b>	<b>\$ 9,269,011</b>	<b>\$ 1,970,555</b>	<b>\$ 16,414,357</b>
Contributions	58,627	71,198	76,390	91,703	297,918
Investment Earnings and Net Gains (Losses)	10,985	52,899	111,306	( 42,309)	132,881
Administrative Fees	( 5,056)	( 20,054)	( 42,763)	( 3,806)	( 71,679)
Other Expenditures	-	( 122,321)	( 312,200)	( 4,500)	( 439,021)
<b>Endowment Balances at June 30, 2012</b>	<b>\$ 1,079,841</b>	<b>\$ 4,141,228</b>	<b>\$ 9,101,744</b>	<b>\$ 2,011,643</b>	<b>\$ 16,334,456</b>

NOTES TO FINANCIAL STATEMENTS  
 TRI-COUNTY TECHNICAL COLLEGE

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Property, Plant and Equipment**

Property, plant and equipment, held in the LLC, consist of the following at June 30, 2013 and 2012:

	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
Land	\$ 2,413,299	\$ 2,382,951
Building	6,303,247	6,303,247
Signs	2,459	2,459
	8,719,005	8,688,657
Less Accumulated Depreciation	( 1,019,118 )	( 857,283 )
	<b>\$ 7,699,887</b>	<b>\$ 7,831,374</b>

**Bond Payable**

The Foundation issued an economic revenue bond on August 25, 2005 through the South Carolina Jobs-Economic Development Authority in the amount of \$8,000,000. The bond, which bears interest at 4.080% per annum, requires annual payments in varying amounts approximating \$605,000 through its maturity date of January 1, 2025. Proceeds of the bond were used to purchase land and construct the 45,000 square foot building that houses the Anderson, South Carolina campus of Tri-County Technical College. Construction of the building was completed during the year ended June 30, 2007. Bond payments are made from rental income the College pays to the Foundation.

Annual principal and interest requirements for the bond at June 30, 2013 were:

<b>Years Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 380,000	\$ 226,848	\$ 606,848
2015	395,000	211,038	606,038
2016	410,000	194,616	604,616
2017	430,000	177,480	607,480
2018	445,000	159,630	604,630
2019 and Thereafter	3,690,000	551,412	4,241,412
	<b>\$ 5,750,000</b>	<b>\$ 1,521,024</b>	<b>\$ 7,271,024</b>

*TRI-COUNTY TECHNICAL COLLEGE*  
NOTES TO FINANCIAL STATEMENTS

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Endowment Challenge Grants**

The Foundation is operating under an endowment challenge grant of \$1,000,000 (50% from the United States Department of Education and 50% in matched private funds). The Foundation is prohibited under terms of the grant from encroaching upon the principal or 50% of the aggregate income earned from the endowment principal for the duration of the twenty-year grant period. At the end of the grant period, the Foundation may use the endowment funds for specific educational purposes.

<u>Award Periods</u>	<u>PR Award Number</u>	<u>Grant Award</u>	<u>Foundation Match</u>	<u>Total</u>
4/1/1994 – 3/31/2014	433J7720A179	\$ 500,000	\$ 500,000	\$ 1,000,000

**Related Party Transactions**

The Foundation supports many projects of Tri-County Technical College. Predominantly all revenues raised and expenditures disbursed are for the benefit of the College. During the years ended June 30, 2013 and 2012, the Foundation recognized \$655,675 and \$642,706, respectively, in rental income from the College related to its Anderson, South Carolina campus. During the years ended June 30, 2013 and 2012, the Foundation provided scholarships to students of the College totaling \$353,185 and \$389,689, respectively, and provided educational support totaling \$265,906 and \$246,590, respectively.

Several employees of the College perform services for the Foundation. During the years ended June 30, 2013 and 2012, the Foundation recognized \$234,229 and \$177,204, respectively, for administrative costs. At June 30, 2013 and 2012, \$36,869 and \$18,289, respectively, were recorded as payable to the College.

**Restrictions on Net Assets**

Temporarily restricted net assets totaled \$5,754,479 and \$3,950,759 at June 30, 2013 and 2012, respectively, and carried a variety of purpose and time restrictions.

Permanently restricted net assets were available for the following purposes at June 30, 2013 and 2012:

	<u>June 30,</u>	
	<u>2013</u>	<u>2012</u>
Technology	\$ 1,073,601	\$ 1,075,757
Professional Development	2,734,866	2,727,790
Scholarships	6,399,234	6,242,423
Priority Needs	2,266,925	2,239,600
	<u>\$ 12,474,626</u>	<u>\$ 12,285,570</u>

*TRI-COUNTY TECHNICAL COLLEGE*  
NOTES TO FINANCIAL STATEMENTS

**NOTE 18 - COMPONENT UNIT INFORMATION – continued**

**Concentrations**

Financial instruments consist principally of cash, pledges receivable, investments, and bond payable.

At June 30, 2013, the Foundation had investments totaling \$17,879,964 that were subject to normal declines in value due to market conditions. In addition, the Foundation may, at times, carry balances of cash in financial institutions in excess of federally insured limits.

**Reclassifications of Net Assets**

The Foundation periodically reclassifies amounts between categories of net assets based upon donor intentions and restrictions. Such reclassifications have no effect on the change in net assets of the period in which they are recognized.

**NOTE 19 – SUBSEQUENT EVENT**

Early July, 2013 the Pendleton area in which the College's main campus is located experienced unusually high amounts of rainfall. On or about July 15<sup>th</sup> it was brought to the attention of management that a section of the bank parallel to a main thoroughfare (Perimeter Road) through the College had been compromised. A Geo-Engineering firm was consulted and it was determined that for safety reasons the road should be re-routed and secondarily the bank erosion should be permanently repaired.

The estimated cost for the emergency road re-routing and bank erosion repair are estimated between \$750,000 and \$1 million.

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# STATISTICAL

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Fiscal Year Ended June 30, 2013





# SCHEDULES

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Fiscal Year Ended June 30, 2013



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Statistical Section Content Explanation  
***Tri-County Technical College***

This section of the Tri-County Technical College (the “College”) Comprehensive Annual Financial Report presents information that will assist in understanding the information in the financial statements, note disclosures, and the required supplementary information about the overall financial health of the College.

**Contents**

**Financial Trends**

The Schedules in this section contain trend information to assist in understanding how the College’s financial performance and well-being have changed over time.

**Revenue Capacity**

The schedules in this section contain information to assess the College’s most significant revenue sources.

**Debt Capacity**

The schedules in this section present information that assess the affordability of the College’s current levels of outstanding debt and the ability of the College to issue additional debt in future years.

**Demographic and Economic Information**

The schedules in this section offer demographic and economic indicators to assist in understanding the environment within the College’s financial activities occur.

**Operating Information**

The schedules in this section contain service and infrastructure data to assist in understanding how the information in the College’s financial report relates to the services it provides and the activities it performs.

**Other Information**

The schedules in this section are additional information that is not required by GASB 44 Statement but is of interest to those reading the report.

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# FINANCIAL TRENDS

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Schedule 1     Schedule of Net Position and  
Changes in Net Position

Schedule 2     Schedule of Expenses by Function

Schedule 3     Schedule of Expenses by Use

Fiscal Year Ended June 30, 2013



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Tri-County Technical College  
Schedule of Net Position and Changes in Net Position  
Last Ten Fiscal Years

Schedule 1

	For the Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Income Before Other Revenues, Expenses, Gains or Losses	\$ 1,810,899	\$ 544,727	\$ 1,636,262	\$ (89,897)	\$ 2,542,180	\$ 1,693,617	\$ 2,867,498	\$ 2,708,193	\$ 3,085,265	\$ 1,688,049
Federal capital appropriations	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848	\$ 10,228	\$ 8,308	\$ 1,635
State capital appropriations	\$ -	\$ -	\$ -	\$ 1,037,655	\$ 6,366,135	\$ 302,540	\$ 198,537	\$ 38,894	\$ 726,421	\$ 1,129,661
Local/Other capital appropriations	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,455,225	\$ 957,562	\$ 1,246,913	\$ 1,063,088	\$ 820,261	\$ 1,160,955	\$ 1,160,535
Gain on disposal of leased asset	\$ -	\$ -	\$ -	\$ -	\$ 24,254	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from State Capital Improvement Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total increase in net position	\$ 2,947,497	\$ 2,189,782	\$ 2,825,012	\$ 2,435,475	\$ 10,038,117	\$ 3,243,070	\$ 4,141,971	\$ 3,577,576	\$ 4,980,949	\$ 3,979,880
Invested in capital assets, net of related debt	\$ 23,507,148	\$ 24,150,572	\$ 23,877,105	\$ 25,270,429	\$ 26,318,626	\$ 26,860,454	\$ 30,882,006	\$ 31,629,320	\$ 32,459,589	\$ 34,461,515
Restricted for Expendable:										
Capital projects	\$ 8,016	\$ 9,790	\$ 10,235	\$ 10,771	\$ 21,396	\$ 10,718,387	\$ 15,907,223	\$ 18,589,537	\$ 22,619,728	\$ 24,310,670
Debt service	\$ 13,910	\$ 16,193	\$ 19,332	\$ 25,214	\$ 19,814	\$ 495	\$ -	\$ -	\$ -	\$ -
Capital reserve fund					\$ 6,046,642	\$ 5,650,433	\$ -	\$ -	\$ -	\$ -
Unrestricted	\$ 3,752,380	\$ 5,294,681	\$ 8,389,576	\$ 9,420,624	\$ 12,358,677	\$ 4,778,456	\$ 5,360,967	\$ 5,508,915	\$ 5,629,404	\$ 5,916,416
Total College net position	\$ 27,281,454	\$ 29,471,236	\$ 32,296,248	\$ 34,727,038	\$ 44,765,155	\$ 48,008,225	\$ 52,150,196	\$ 55,727,772	\$ 60,708,721	\$ 64,688,601

Source: Tri-County Technical College Audited Financial Statements

For the Year Ended June 30,

Expenses:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 11,681,904	\$ 12,972,599	\$ 13,897,292	\$ 14,965,567	\$ 17,008,625	\$ 17,008,692	\$ 18,592,496	\$ 20,646,144	\$ 20,383,445	\$ 20,633,104
Academic Support	\$ 1,935,055	\$ 1,808,853	\$ 2,231,549	\$ 2,453,552	\$ 2,665,606	\$ 2,772,075	\$ 2,931,346	\$ 2,911,763	\$ 2,924,823	\$ 2,832,259
Student Services	\$ 3,906,067	\$ 4,579,564	\$ 5,066,430	\$ 4,636,110	\$ 4,953,081	\$ 6,129,651	\$ 6,748,430	\$ 5,014,805	\$ 5,520,058	\$ 5,493,109
Operation and Maintenance of Plant	\$ 2,019,095	\$ 2,935,202	\$ 2,473,504	\$ 4,894,894	\$ 4,084,208	\$ 3,512,916	\$ 3,988,001	\$ 6,269,709	\$ 4,569,947	\$ 5,355,708
Institutional Support	\$ 2,358,069	\$ 2,389,285	\$ 2,429,604	\$ 2,654,282	\$ 2,544,123	\$ 2,878,065	\$ 3,336,973	\$ 3,240,723	\$ 3,386,199	\$ 3,554,987
Scholarships	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294	\$ 12,794,016	\$ 9,335,395	\$ 8,483,002
Auxiliary Enterprises	\$ 1,937,530	\$ 2,191,638	\$ 2,334,125	\$ 2,635,338	\$ 3,144,158	\$ 3,706,501	\$ 5,282,887	\$ 5,471,671	\$ 5,080,167	\$ 4,753,486
Depreciation	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429	\$ 2,717,913	\$ 2,450,719	\$ 2,549,878
Total Operating Expenses	\$ 27,592,534	\$ 31,100,835	\$ 32,609,540	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856	\$ 59,066,744	\$ 53,650,753	\$ 53,655,533
Gain(Loss) on disposal of assets									\$ 1,518	\$ -
Interest on capital asset-related debt	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060	\$ 272,702	\$ 256,632	\$ 242,046
Total Expenses	\$ 27,777,284	\$ 31,262,114	\$ 32,746,344	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916	\$ 59,339,446	\$ 53,908,903	\$ 53,897,579

For the Year Ended June 30,

Expenses:	(percentage of total)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	42.1%	41.5%	42.4%	39.7%	41.6%	38.4%	34.2%	34.8%	37.8%	38.3%
Academic Support	7.0%	5.8%	6.8%	6.5%	6.5%	6.3%	5.4%	4.9%	5.4%	5.3%
Student Services	14.1%	14.6%	15.5%	12.3%	12.1%	13.8%	12.4%	8.5%	10.2%	10.2%
Operation and Maintenance of Plant	7.3%	9.4%	7.6%	13.0%	10.0%	7.9%	7.3%	10.6%	8.5%	9.9%
Institutional Support	8.5%	7.6%	7.4%	7.0%	6.2%	6.5%	6.1%	5.5%	6.3%	6.6%
Scholarships	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%	21.6%	17.3%	15.8%
Auxiliary Enterprises	7.0%	7.0%	7.1%	7.0%	7.7%	8.4%	9.7%	9.2%	9.4%	8.8%
Depreciation	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%	4.6%	4.5%	4.7%
Total Operating Expenses	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%	99.5%	99.5%	99.6%
Gain(Loss) on disposal of assets									0.0%	0.0%
Interest on capital asset-related debt	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%	0.5%	0.5%	0.4%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Tri-County Technical College Audited Financial Statements

For the Year Ended June 30,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>										
Salaries	\$ 13,000,094	\$ 14,258,159	\$ 15,324,994	\$ 16,356,160	\$ 17,804,799	\$ 18,614,189	\$ 19,575,222	\$ 20,088,380	\$ 20,572,973	\$ 20,148,143
Benefits	\$ 3,172,549	\$ 3,447,403	\$ 3,698,377	\$ 4,049,917	\$ 4,584,530	\$ 4,896,098	\$ 5,120,425	\$ 5,394,587	\$ 6,022,664	\$ 6,100,873
Scholarships	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294	\$ 12,794,016	\$ 9,335,395	\$ 8,483,002
Utilities	\$ 553,012	\$ 552,310	\$ 597,062	\$ 589,162	\$ 731,931	\$ 817,889	\$ 834,952	\$ 884,250	\$ 935,422	\$ 961,433
Supplies and Other Services	\$ 5,314,076	\$ 6,645,995	\$ 6,752,212	\$ 8,961,136	\$ 8,590,743	\$ 8,385,212	\$ 10,838,092	\$ 12,594,696	\$ 10,055,348	\$ 11,428,787
Auxiliary Resale Costs	\$ 1,797,989	\$ 1,973,274	\$ 2,059,856	\$ 2,283,368	\$ 2,687,798	\$ 3,294,512	\$ 4,511,442	\$ 4,592,902	\$ 4,278,232	\$ 3,983,417
Depreciation	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429	\$ 2,717,913	\$ 2,450,719	\$ 2,549,878
Total Operating Expenses	\$ 27,592,534	\$ 31,100,835	\$ 32,609,537	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856	\$ 59,066,744	\$ 53,650,753	\$ 53,655,533
Gain (Loss) on disposal of assets									\$ 1,518	\$ -
Interest on capital asset-related debt	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060	\$ 272,702	\$ 256,632	\$ 242,046
Total Expenses	\$ 27,777,284	\$ 31,262,114	\$ 32,746,341	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916	\$ 59,339,446	\$ 53,908,903	\$ 53,897,579

For the Year Ended June 30,  
(percentage of total)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>										
Salaries	46.8%	45.6%	46.8%	43.4%	43.6%	42.0%	36.0%	33.9%	38.2%	37.4%
Benefits	11.4%	11.0%	11.3%	10.7%	11.2%	11.0%	9.4%	9.1%	11.2%	11.3%
Scholarships	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%	21.6%	17.3%	15.8%
Utilities	2.0%	1.8%	1.8%	1.6%	1.8%	1.8%	1.5%	1.5%	1.7%	1.8%
Supplies and Other Services	19.1%	21.3%	20.6%	23.8%	21.0%	18.9%	19.9%	21.2%	18.7%	21.2%
Auxiliary Resale Costs	6.5%	6.3%	6.3%	6.1%	6.6%	7.4%	8.3%	7.7%	7.9%	7.4%
Depreciation	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%	4.6%	4.5%	4.7%
Total Operating Expenses	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%	99.5%	99.5%	99.6%
Gain (Loss) on disposal of assets									0.0%	0.0%
Interest on capital asset-related debt	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%	0.5%	0.5%	0.4%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Tri-County Technical College Audited Financial Statements

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# REVENUE CAPACITY

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Schedule 4     Schedule of Revenue by Source

Schedule 5     Annual Tuition and Fees

Schedule 6     Admissions Statistics

Schedule 7     Opening Fall Enrollment and  
Degree Statistics with Graph

Schedule 8     Continuing Education Division Statistics

Fiscal Year Ended June 30, 2013



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Tri-County Technical College  
Schedule of Revenues by Source,  
Last Ten Fiscal Years

Schedule 4

For the Year Ended June 30,

Revenues:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Student tuition and fees (net of scholarship allowances)	\$ 5,408,202	\$ 5,890,467	\$ 7,193,322	\$ 7,490,613	\$ 9,531,160	\$ 10,967,806	\$ 14,446,672	\$ 19,555,685	\$ 18,885,413	\$ 17,753,908
Federal grants and contracts	\$ 7,321,442	\$ 8,013,009	\$ 7,397,139	\$ 7,312,329	\$ 9,202,766	\$ 12,292,964	\$ 4,841,904	\$ 2,067,514	\$ 1,939,199	\$ 1,903,289
State grants and contracts	\$ 4,008,059	\$ 4,345,428	\$ 4,880,574	\$ 6,001,719	\$ 5,815,489	\$ 6,399,479	\$ 6,985,097	\$ 8,176,987	\$ 9,122,875	\$ 10,032,781
Nongovernmental grants and contracts	\$ 163,512	\$ 321,104	\$ 581,093	\$ 1,171,430	\$ 1,480,537	\$ 1,455,772	\$ 1,459,367	\$ 898,654	\$ 1,110,084	\$ 1,024,711
Auxiliary enterprises (net of book allowances)*	\$ 1,483,435	\$ 1,610,697	\$ 1,776,382	\$ 2,025,832	\$ 2,218,669	\$ 2,349,486	\$ 2,443,019	\$ 2,817,497	\$ 2,543,011	\$ 2,674,669
Other operating revenues	\$ 56,473	\$ 65,331	\$ 58,188	\$ 58,138	\$ 69,867	\$ 67,360	\$ 86,087	\$ 40,975	\$ 40,292	\$ 60,389
<b>Total Operating Revenues</b>	<b>\$ 18,441,123</b>	<b>\$ 20,246,036</b>	<b>\$ 21,886,698</b>	<b>\$ 24,060,061</b>	<b>\$ 28,318,488</b>	<b>\$ 33,532,867</b>	<b>\$ 30,262,146</b>	<b>\$ 33,557,312</b>	<b>\$ 33,640,874</b>	<b>\$ 33,449,747</b>
State appropriations	\$ 7,769,943	\$ 7,989,352	\$ 8,380,511	\$ 8,860,702	\$ 9,765,118	\$ 7,561,326	\$ 7,191,310	\$ 6,343,689	\$ 6,210,945	\$ 6,493,776
State appropriations-CHE	\$ 2,208	\$ 1,366	\$ 9,775	\$ 7,815	\$ 8,269	\$ 5,629	\$ 3,791	\$ 2,606	\$ 2,713	\$ 2,611
Local appropriations	\$ 2,914,879	\$ 2,950,250	\$ 3,012,282	\$ 3,188,682	\$ 3,370,371	\$ 3,530,344	\$ 3,600,226	\$ 3,909,984	\$ 2,889,507	\$ 2,983,018
Investment income	\$ 69,570	\$ 166,708	\$ 412,020	\$ 601,039	\$ 455,065	\$ 116,976	\$ 54,296	\$ 142,176	\$ 207,957	\$ 213,124
Federal grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,045,123	\$ 16,763,431	\$ 12,605,758	\$ 11,103,979
State grants and contracts	\$ 76,029	\$ 78,910	\$ 89,523	\$ 371,392	\$ 869,351	\$ 550,710	\$ 548,619	\$ 500,435	\$ 444,749	\$ 222,851
Other nonoperating revenues	\$ 29,197	\$ 30,746	\$ 102,085	\$ 490,091	\$ 601,618	\$ 719,534	\$ 630,140	\$ 814,457	\$ 991,665	\$ 1,116,522
Gain/(Loss) on disposal of asset	\$ -	\$ -	\$ -	\$ -	\$ 24,254	\$ 6,713	\$ (26,237)	\$ 13,549	\$ -	\$ -
State capital bond fund/Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ 6,067,200	\$ -	\$ -	\$ -	\$ -	\$ -
Federal capital grants and gifts	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848	\$ 10,228	\$ 8,308	\$ 1,635
State capital grants and gifts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations-Lottery Technology	\$ 285,234	\$ 343,473	\$ 291,301	\$ 294,465	\$ 298,935	\$ 302,540	\$ 198,537	\$ 38,894	\$ 193,453	\$ 629,661
State Research Infrastructure Bond Proceeds	\$ -	\$ -	\$ 98,408	\$ 743,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations-Deferred Maintenance	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local/Other capital appropriations	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,084,354	\$ 957,562	\$ 1,246,913	\$ 1,063,088	\$ 820,261	\$ 532,968	\$ 500,000
<b>Total Nonoperating Revenues</b>	<b>\$ 12,283,658</b>	<b>\$ 13,205,860</b>	<b>\$ 13,684,655</b>	<b>\$ 15,674,222</b>	<b>\$ 22,565,729</b>	<b>\$ 14,040,685</b>	<b>\$ 28,321,741</b>	<b>\$ 29,359,710</b>	<b>\$ 25,248,978</b>	<b>\$ 24,427,712</b>
<b>Total Revenues</b>	<b>\$ 30,724,781</b>	<b>\$ 33,451,896</b>	<b>\$ 35,571,353</b>	<b>\$ 39,734,283</b>	<b>\$ 50,884,217</b>	<b>\$ 47,573,552</b>	<b>\$ 58,583,887</b>	<b>\$ 62,917,022</b>	<b>\$ 58,889,852</b>	<b>\$ 57,877,459</b>

Source: Tri-County Technical College Audited Financial Statements

**Tri-County Technical College**  
**Schedule of Revenues by Source,**  
**Last Ten Fiscal Years**

**Schedule 4**  
(continued)

**For the Year Ended June 30,**  
*(percentage of total)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
Student tuition and fees (net of scholarship allowances)	17.60%	17.61%	20.22%	18.85%	18.73%	23.05%	24.66%	31.08%	32.07%	30.68%
Federal grants and contracts	23.83%	23.95%	20.80%	18.40%	18.09%	25.84%	8.26%	3.29%	3.29%	3.29%
State grants and contracts	13.05%	12.99%	13.72%	15.10%	11.43%	13.45%	11.92%	13.00%	15.49%	17.33%
Nongovernmental grants and contracts	0.53%	0.96%	1.63%	2.95%	2.91%	3.06%	2.49%	1.43%	1.89%	1.77%
Auxiliary enterprises (net of book allowances)	4.83%	4.81%	4.99%	5.10%	4.36%	4.94%	4.17%	4.48%	4.32%	4.62%
Other operating revenues	0.18%	0.20%	0.16%	0.15%	0.14%	0.14%	0.15%	0.07%	0.07%	0.10%
<b>Total Operating Revenues</b>	<b>60.02%</b>	<b>60.52%</b>	<b>61.53%</b>	<b>60.55%</b>	<b>55.65%</b>	<b>70.49%</b>	<b>51.66%</b>	<b>53.34%</b>	<b>57.13%</b>	<b>57.79%</b>
State appropriations	25.29%	23.88%	23.56%	22.30%	19.19%	15.89%	12.28%	10.08%	10.55%	11.22%
State appropriations-CHE	0.01%	0.00%	0.027%	0.02%	0.02%	0.01%	0.01%	-	-	-
State appropriations-Deferred Maintenance	-	-	-	0.00%	-	-	6.15%	6.21%	4.91%	5.15%
Local appropriations	9.49%	8.82%	8.47%	8.03%	6.62%	7.42%	0.09%	0.23%	0.35%	0.37%
Investment income	0.23%	0.50%	1.16%	1.51%	0.89%	0.25%	25.68%	26.64%	21.41%	19.19%
Federal grants and contracts	0.00%	-	-	-	-	-	0.94%	0.80%	0.76%	0.39%
State grants and contracts	0.25%	0.24%	0.25%	0.93%	1.71%	1.16%	1.08%	1.29%	1.68%	1.93%
Other non-operating revenues	0.10%	0.09%	0.29%	1.23%	1.18%	1.51%	-0.04%	0.02%	-	-
State capital bond fund/Capital Reserve	-	-	-	-	-	-	-	-	-	-
Federal capital grants and gifts	0.38%	0.03%	0.00%	-	-	-	0.02%	0.02%	0.01%	-
State capital grants and gifts	0.00%	-	-	-	-	-	-	-	-	-
State appropriations-Lottery Technology	0.93%	1.03%	0.82%	0.74%	0.59%	0.64%	0.34%	0.06%	0.33%	1.09%
State Research Infrastructure Bond Proceeds	-	-	-	1.87%	0.00%	-	-	-	-	-
State appropriations-Deferred Maintenance	-	-	-	-	-	-	-	-	-	-
Local/Other capital appropriations	3.32%	4.89%	3.34%	2.73%	1.88%	2.62%	1.81%	1.30%	0.91%	0.86%
<b>Total Nonoperating Revenues</b>	<b>39.98%</b>	<b>39.48%</b>	<b>38.47%</b>	<b>39.45%</b>	<b>44.35%</b>	<b>29.51%</b>	<b>48.34%</b>	<b>46.66%</b>	<b>42.87%</b>	<b>42.21%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Tri-County Technical College Audited Financial Statements



**South Carolina Public Two Year Institutions**  
**Annual Tuition and Fees**  
**Last Ten Academic Years**

**Schedule 5**

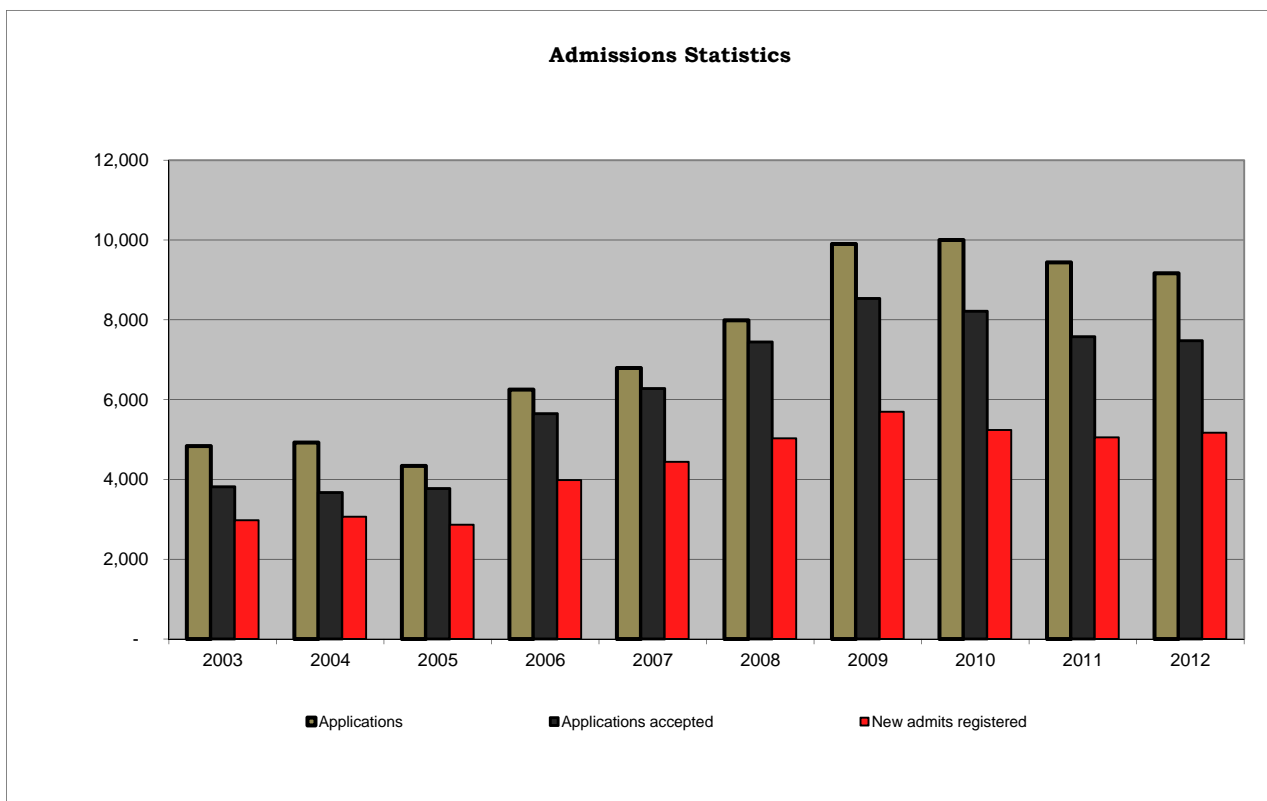
<i>(Alpha Order)</i>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Technical Colleges</b>										
<b>In-County</b>										
Aiken	\$ 2,600	\$ 2,836	\$ 3,036	\$ 3,190	\$ 3,298	\$ 3,506	\$ 3,626	\$ 3,706	\$ 3,722	\$ 3,866
Central Carolina	\$ 2,500	\$ 2,500	\$ 2,700	\$ 2,900	\$ 2,920	\$ 3,020	\$ 3,308	\$ 3,380	\$ 3,476	\$ 3,584
Denmark	\$ 2,248	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,378	\$ 2,492	\$ 2,590	\$ 2,500	\$ 2,568
Florence-Darlington	\$ 2,976	\$ 2,986	\$ 3,026	\$ 3,190	\$ 3,190	\$ 3,190	\$ 3,302	\$ 3,526	\$ 3,658	\$ 3,766
Greenville	\$ 2,600	\$ 2,900	\$ 3,000	\$ 3,190	\$ 3,290	\$ 3,396	\$ 3,492	\$ 3,616	\$ 3,748	\$ 3,866
Horry-Georgetown	\$ 2,394	\$ 2,680	\$ 2,800	\$ 2,944	\$ 3,114	\$ 3,194	\$ 3,206	\$ 3,408	\$ 3,530	\$ 3,530
Midlands	\$ 2,836	\$ 2,908	\$ 3,004	\$ 3,100	\$ 3,244	\$ 3,360	\$ 3,608	\$ 3,680	\$ 3,706	\$ 3,788
Northeastern TC	\$ 2,346	\$ 2,346	\$ 2,526	\$ 2,646	\$ 2,982	\$ 3,270	\$ 3,270	\$ 3,342	\$ 3,438	\$ 3,534
Orangeburg-Calhoun	\$ 2,496	\$ 2,640	\$ 2,640	\$ 2,832	\$ 2,832	\$ 3,048	\$ 3,218	\$ 3,434	\$ 3,554	\$ 3,650
Piedmont	\$ 2,596	\$ 2,740	\$ 2,860	\$ 2,956	\$ 3,076	\$ 3,076	\$ 3,334	\$ 3,540	\$ 3,572	\$ 3,714
Spartanburg	\$ 2,660	\$ 2,806	\$ 2,902	\$ 3,094	\$ 3,194	\$ 3,314	\$ 3,434	\$ 3,576	\$ 3,740	\$ 3,820
TC of the Lowcountry	\$ 2,600	\$ 2,900	\$ 3,050	\$ 3,050	\$ 3,150	\$ 3,270	\$ 3,382	\$ 3,556	\$ 3,676	\$ 3,772
<b>Tri County</b>	<b>\$ 2,450</b>	<b>\$ 2,546</b>	<b>\$ 2,738</b>	<b>\$ 2,856</b>	<b>\$ 2,976</b>	<b>\$ 3,060</b>	<b>\$ 3,168</b>	<b>\$ 3,465</b>	<b>\$ 3,570</b>	<b>\$ 3,648</b>
Trident	\$ 2,446	\$ 2,688	\$ 2,950	\$ 3,114	\$ 3,220	\$ 3,330	\$ 3,450	\$ 3,530	\$ 3,600	\$ 3,712
Williamsburg	\$ 2,112	\$ 2,692	\$ 2,692	\$ 2,830	\$ 2,830	\$ 2,942	\$ 3,042	\$ 3,264	\$ 3,438	\$ 3,540
York	\$ 2,736	\$ 2,886	\$ 3,036	\$ 3,124	\$ 3,124	\$ 3,244	\$ 3,352	\$ 3,496	\$ 3,628	\$ 3,712
<i>System Average</i>	<i>2,537</i>	<i>2,708</i>	<i>2,827</i>	<i>2,956</i>	<i>3,045</i>	<i>3,162</i>	<i>3,293</i>	<i>3,438</i>	<i>3,535</i>	<i>3,629</i>

**Two-Year Regional Campuses of USC**

<b>In-State</b>										
USC - Lancaster	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092	\$ 6,284
USC - Salkehatchie	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092	\$ 6,284
USC - Sumter	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092	\$ 6,284
USC - Union	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	\$ 6,092	\$ 6,284

**Source:** South Carolina Commission on Higher Education

	<i>Academic Year Beginning in Fall</i>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Admissions - Freshman</b>										
Applications	4,834	4,922	4,338	6,251	6,793	7,987	9,898	9,999	9,439	9,165
Applications accepted	3,816	3,670	3,769	5,647	6,278	7,442	8,536	8,212	7,574	7,474
New admits registered	2,976	3,065	2,864	3,984	4,440	5,030	5,695	5,236	5,055	5,171
Accepted as a percentage of applications	78.9%	74.6%	86.9%	90.3%	92.4%	93.2%	86.2%	82.1%	80.2%	81.5%
Registered as a percentage of accepted	78.0%	83.5%	76.0%	70.6%	70.7%	67.6%	66.7%	63.8%	66.7%	69.2%
Registered as a percentage of applicants	61.6%	62.3%	66.0%	63.7%	65.4%	63.0%	57.5%	52.4%	53.6%	56.4%



**Notes :**

*Tri-County Technical College has an open enrollment policy.  
 All figures are unduplicated unless otherwise stated.*

*Source: TCTC admissions office*

**Tri-County Technical College**  
**Opening Fall Enrollment Demographics and Degree Statistics**  
**Last Ten Fiscal Years**

**Schedule 7**

<b><u>GENDER</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
(Term)	(03-1)	(04-1)	(05-1)	(06-1)	(07-1)	(08-1)	(09-1)	(10-1)	(11-1)	(12-1)
Female	2,646	2,838	2,775	2,780	2,997	3,204	3,796	3,963	3,855	3,625
Male	1,902	1,871	1,870	1,973	2,226	2,526	2,962	2,978	2,945	2,997
Total	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800	6,622
<b><u>RACE</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
Minority	715	751	715	679	860	1,006	1,201	1,283	1,225	1,127
White	3,661	3,775	3,738	3,844	4,238	4,605	5,448	5,590	5,465	5,413
Other(unknown)	172	183	192	230	125	119	109	68	110	82
Total	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800	6,622
<b><u>COUNTY</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
Anderson	2,122	2,162	2,066	1,821	1,975	2,164	2,616	2,738	2,523	2,517
Oconee	1,006	991	994	973	919	1,006	1,167	1,165	1,140	1,013
Pickens	1,003	1,018	1,035	996	1,092	1,143	1,250	1,314	1,347	1,393
Other	417	538	550	963	1,237	1,417	1,725	1,724	1,790	1,699
Total	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800	6,622
<b><u>HEADCOUNT</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
Full-time	2,278	2,435	2,473	2,576	2,783	3,316	4,064	4,221	3,913	3,735
Part-time	2,270	2,274	2,172	2,177	2,440	2,414	2,694	2,720	2,887	2,887
Total	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800	6,622
<b><u>FTEs</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
	3,048.0	3,175.1	3,147.1	3,293.3	3,579.0	4,086.0	4,959.7	5,152.1	4,910.8	4,794.3
<b><u>RATIO FTE/HC</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
	0.67	0.67	0.68	0.69	0.69	0.71	0.73	0.74	0.74	0.72
<b><u>AVERAGE CREDITS</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
	10.1	10.1	10.2	10.4	10.3	10.7	11.0	11.1	10.8	10.9
<b><u>AVERAGE AGE</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
	25.5	25.4	25.3	24.7	24.5	24.4	25.1	24.8	24.5	24
<b><u>DEGREES AWARDED</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13*</u></b>
Associate	486	470	460	414	511	485	554	598	678	779
Diploma	211	212	133	148	161	173	143	151	169	137
Certificate	120	119	175	175	197	191	187	311	573	343
Total Awards Granted	817	801	768	737	869	849	884	1060	1420	1259

Source: TCTC website and office of institutional research

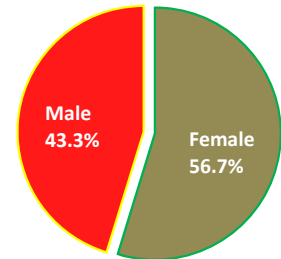
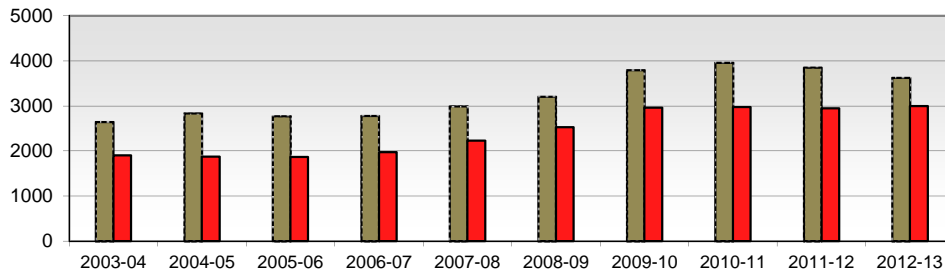
\*Preliminary

**Tri-County Technical College**  
**Selected Opening Fall Enrollment Demographics**  
**Last Ten Fiscal Years**

**Schedule 7**  
**Graph**

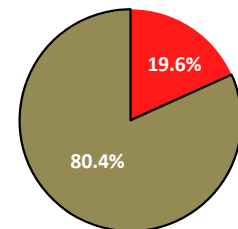
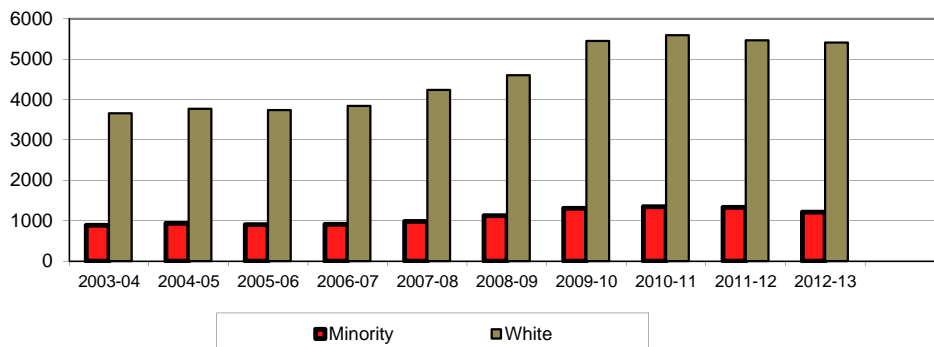
**2012-13**

**Opening Fall Enrollment By Gender**



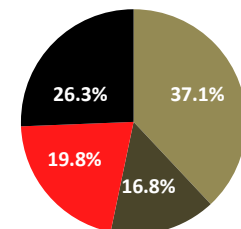
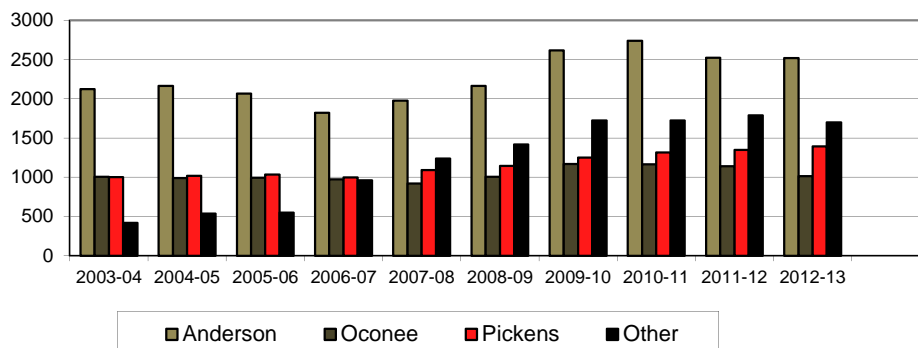
**2012-13**

**Opening Fall Enrollment by Race**



**2012-13**

**Opening Fall Enrollment by County**



**Corporate and Continuing Education Departments:**

Business Center  
Community Interest  
Enterprise Development  
Health Education  
Licensing  
World Class Training Center

**Continuing Education Contact Hours**

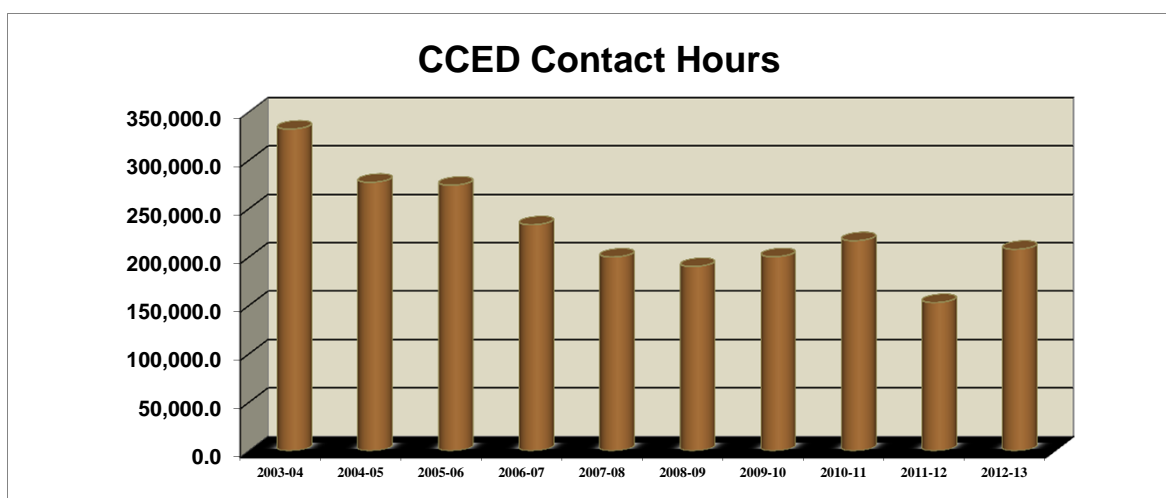
Audited Year	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Contact Hours	332,449.5	277,456.5	274,448.8	233,616.0	200,268.0	190,460.5	200,561.0	217,130.0	153,213.5	208,235.0

**Continuing Education Headcount (Unduplicated)**

Fiscal Year-unaudited	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Headcount	12,021	10,001	8,947	7,658	5,787	8,158	9,185	9,266	9,000	10,965

**Continuing Education Performance Funding**

Academic Year	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Performance Funding CEUs	33,245	27,746	27,449	23,361	20,027	19,046	20,056	21,713	No funding	No funding



Sources: SBTCE Factbook, Rick Pace (CE evaluation coordinator SBTCE)

CCED information coordinator

NOTE: Funding formula for technical colleges changed for fiscal year 2012. Funding for continuing education contact hours has been discontinued.

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# DEBT CAPACITY

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Schedule 9    Schedule of Ratios of Outstanding Debt

Schedule 10   Schedule of Bond Coverage

Fiscal Year Ended June 30, 2013



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Tri-County Technical College  
*Schedule of Ratios of Outstanding Debt,*  
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General institution bonds	\$ 3,160,000	\$ 2,595,000	\$ 1,995,000	\$ 1,365,000	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -
Capital lease	\$ -	\$ 184,497	\$ 209,545	\$ 7,876,571	\$ 7,733,188	\$ 7,343,021	\$ 6,948,285	\$ 6,465,000	\$ 6,115,000	\$ 5,750,000
Total outstanding debt	<u>\$ 3,160,000</u>	<u>\$ 2,779,497</u>	<u>\$ 2,204,545</u>	<u>\$ 9,241,571</u>	<u>\$ 8,433,188</u>	<u>\$ 7,343,021</u>	<u>\$ 6,948,285</u>	<u>\$ 6,465,000</u>	<u>\$ 6,115,000</u>	<u>\$ 5,750,000</u>
Full-time equivalent students-annual Credit	3,507	3,562	3,533	3,797	4,057	4,666	5,632	5,698	5,298	5,174
Outstanding debt per student FTE	\$ 901	\$ 780	\$ 624	\$ 2,434	\$ 2,078	\$ 1,574	\$ 1,234	\$ 1,135	\$ 1,154	\$ 1,111

Source: Tri-County Technical College Comprehensive Annual Financial Reports  
 Formula Computation Allocation Worksheet provided by the System Office for years presented

**Tri-County Technical College**  
**Schedule of Bond Coverage**  
**Last Ten Fiscal Years**

**Schedule 10**

**Institution Bonds**

Fiscal Year Ended June 30,	Budgeted Capital Fees	Debt Service Requirements				Coverage Ratio
		Total Revenue Available for Debt Service	Principal	Interest	Total	
2009	\$ 1,333,127	\$ 1,333,127	\$ 700,000	\$ 35,000	\$ 735,000	1.81
2008	\$ 1,078,225	\$ 1,078,225	\$ 665,000	\$ 68,250	\$ 733,250	1.47
2007	\$ 1,042,000	\$ 1,042,000	\$ 630,000	\$ 99,750	\$ 729,750	1.43
2006	\$ 1,042,373	\$ 1,042,373	\$ 600,000	\$ 129,750	\$ 729,750	1.43
2005	\$ 1,041,314	\$ 1,041,314	\$ 565,000	\$ 158,000	\$ 723,000	1.44
2004	\$ 1,075,694	\$ 1,075,694	\$ 535,000	\$ 184,750	\$ 719,750	1.49
2003	\$ 1,216,040	\$ 1,216,040	\$ 510,000	\$ 210,250	\$ 720,250	1.69
2002	\$ 1,074,758	\$ 1,074,758	\$ 485,000	\$ 234,500	\$ 719,500	1.49
2001	\$ 1,038,191	\$ 1,038,191	\$ 455,000	\$ 257,250	\$ 712,250	1.46
2000	\$ 1,222,960	\$ 1,222,960	\$ 435,000	\$ 282,263	\$ 717,263	1.71

Bond was paid in full in fiscal year 2009

*Source: GAAPS reports and TCTC financial statements*

# DEMOGRAPHIC AND ECONOMIC INFORMATION

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Schedule 11 Economic Indicators for the  
College Service Area

Schedule 12 Principal Employers by County

Fiscal Year Ended June 30, 2013



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**Total Personal Income (in Millions)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Anderson	\$4,343	\$4,480	\$4,679	\$5,011	\$5,374	\$5,627	\$5,599	\$5,813	NA	NA
Oconee	\$1,990	\$1,908	\$1,798	\$1,745	\$2,219	\$2,343	\$2,324	\$2,346	NA	NA
Pickens	\$2,540	\$2,599	\$2,663	\$2,778	\$3,147	\$3,291	\$3,247	\$3,340	NA	NA
South Carolina	\$110,644	\$117,230	\$124,379	\$134,204	\$142,167	\$ 148,892	\$ 148,265	\$ 154,568	\$ 157,565	NA

(NOTE: Years 2007 - 2009 have been revised per USBEA)

**Per Capita Personal Income**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Anderson	\$25,365	\$25,939	\$26,829	\$28,299	\$29,831	\$ 30,760	\$ 30,280	\$ 29,916	\$ 31,059	NA
Oconee	\$25,700	\$26,274	\$27,677	\$28,561	\$31,388	\$ 32,954	\$ 32,499	\$ 31,527	\$ 31,964	NA
Pickens	\$22,758	\$23,133	\$23,551	\$24,430	\$27,106	\$ 28,002	\$ 27,487	\$ 27,385	\$ 27,833	NA
South Carolina	\$25,873	\$27,069	\$28,292	\$30,041	\$32,134	\$ 33,063	\$ 32,505	\$ 33,163	\$ 33,388	NA

(NOTE: Years 2007 - 2009 have been revised per USBEA)

**Population of Service Area**

(estimates)	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Anderson	167,725	173,550	175,514	177,963	179,981	182,825	184,901	187,126	188,659	189,685
Oconee	67,841	69,057	69,577	70,567	70,753	71,274	71,514	74,273	74,978	75,277
Pickens	112,304	112,475	113,575	114,446	116,003	116,915	118,144	119,224	119,793	120,551

**Labor Market-**

**Unemployment Trends**

<u>(Annual)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Anderson	6.6%	7.1%	7.2%	6.8%	6.0%	6.9%	13.4%	11.4%	9.8%	9.2%
Oconee	8.3%	7.5%	8.3%	9.0%	7.2%	7.5%	14.6%	11.8%	10.2%	9.7%
Pickens	6.1%	5.1%	7.3%	6.2%	5.3%	6.1%	10.8%	10.0%	9.3%	9.0%
South Carolina	6.8%	6.0%	6.5%	6.5%	5.9%	6.9%	12.6%	11.2%	10.5%	9.3%
United States	6.0%	5.0%	4.8%	4.6%	4.6%	5.8%	10.0%	9.4%	9.2%	8.2%

**Announced Job Creation**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Anderson	250	720	760	132	452	26	47	1,216	99	NA
Oconee	297	63	89	170	113	71	125	206	80	NA
Pickens	35	560	NA	550	335	235	0	95	547	NA

Sources:

[http://sccommerce.com/sites/default/files/document\\_directory/Capital Investment by County in South Carolina 2003-2010 0.pdf](http://sccommerce.com/sites/default/files/document_directory/Capital%20Investment%20by%20County%20in%20South%20Carolina%202003-2010%200.pdf)

Anderson, Oconee, Pickens County Profiles

[WWW.upstatealliance.com](http://www.upstatealliance.com)

Bureau of Labor Statistics

BEA, Bearfacts

County		
Anderson	Oconee	Pickens
Anderson County School Districts (5 districts)	Duke Energy Corporation	Aramark Services
AnMed Health	Itron Corporation	Clemson University
Electrolux Home Products Inc	Oconee County School District	Confluence Holdings Corp
Glen Raven Custom Fabrics LLC	Oconee Memorial Hospital	Milliken & Company
Homelite Consumer Products Inc	Schneider Electric-Square D	Palmetto Baptist Medical Center
Kravet, Inc.	Timken U.S. Corporation	Pickens County Government
Michelin North America, Mfg Division	Wal-Mart Associates, Inc.	Pickens County Schools
Milliken-Cushman Facility		The Reliable Automatic Sprinkler Co
Robert Bosch Corporaton		State of South Carolina
State of South Carolina		Wal-Mart Associates, Inc.
Timken U.S. Corporation		
Tri-County Technical College		
Wal-Mart Associates Inc		

*The companies are listed in alphabetical order.*

*Note: Due to confidentiality issues, the number of employees for each company is not available.*

*Note2: Data for the period nine years prior the current period is not available and therefore not presented.*

Source: Upstate Alliance website

# OPERATING INFORMATION

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Schedule 13 Faculty and Staff Statistics

Schedule 14 Space Utilization

Fiscal Year Ended June 30, 2013



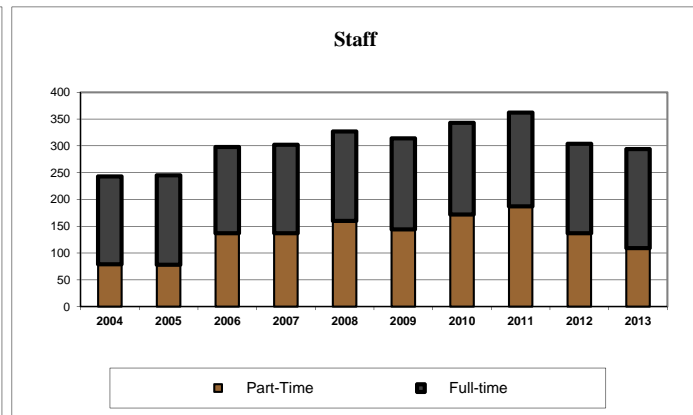
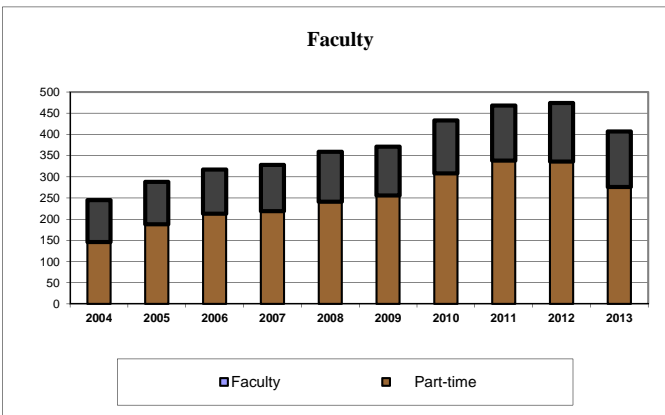
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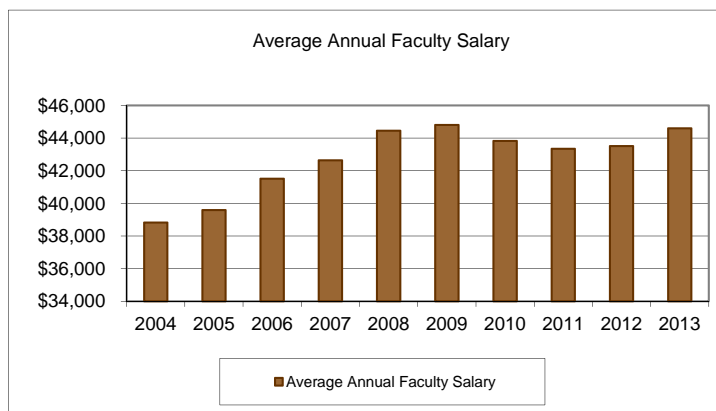
**Tri-County Technical College**  
**Faculty and Staff Statistics**  
**Last Ten Fiscal Years**

**Schedule 13**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Faculty</b>										
Part-time	146	188	213	219	241	256	308	338	336	276
Full-time	99	100	104	109	118	115	125	130	138	131
<b>Staff</b>										
Part-Time	79	78	137	137	160	144	172	187	137	109
Full-time	164	167	161	165	167	170	171	175	167	185
<b>Total Employees</b>										
Part-time	225	266	350	356	401	400	480	525	473	385
Full-time	263	267	265	274	285	285	296	305	305	316
	488	533	615	630	686	685	776	830	778	701



	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Average Annual Faculty Salary</b>	\$ 38,827	\$ 39,587	\$ 41,512	\$ 42,637	\$ 44,450	\$ 44,801	\$ 43,823	\$ 43,345	\$ 43,513	\$ 44,594



**NOTE:** This is a revised spreadsheet. Disregard figures in 2006 CAFR.  
Faculty/Staff statistics are as of November each fiscal year.  
College workstudy not included.

*Source: Integrated Postsecondary Education Data System (IPEDS) data for years indicated  
(From Human Resource Office)*

**Tri-County Technical College**  
**Space Utilization**  
**Most Recent Data Available**

**Schedule 14**

	For Fiscal Years ended									
	2003	2004	2005	2006*	2007**	2008	2009	2010	2011	2012
<b>Instruction</b>										
Assignable Square Feet	187,993	189,127	189,247	156,645	171,538	171,538	196,363	196,363	203,643	214,814
Percentage of Total	67.54%	67.67%	67.68%	68.26%	70.19%	70.19%	74.71%	74.71%	75.28%	76.26%
<b>Public Service</b>										
Assignable Square Feet	4,586	4,586	4,586	NA	NA	NA	NA	NA	NA	NA
Percentage of Total	1.65%	1.64%	1.64%							
<b>Academic Support</b>										
Assignable Square Feet	27,434	27,434	27,434	23,431	23,431	23,431	22,615	22,615	23,042	23,042
Percentage of Total	9.86%	9.82%	9.81%	10.21%	9.59%	9.59%	8.60%	8.60%	8.52%	8.18%
<b>Student Services</b>										
Assignable Square Feet	24,886	24,886	24,886	16,184	16,184	16,184	11,736	11,736	11,736	11,736
Percentage of Total	8.94%	8.90%	8.90%	7.05%	6.62%	6.62%	4.47%	4.47%	4.34%	4.17%
<b>Institutional Support</b>										
Assignable Square Feet	16,702	16,702	16,702	16,179	16,179	16,179	16,117	16,117	16,117	16,117
Percentage of Total	6.00%	5.98%	5.97%	7.05%	6.62%	6.62%	6.13%	6.13%	5.96%	5.72%
<b>Plant Operations and Maintenance</b>										
Assignable Square Feet	11,820	11,820	11,820	9,946	9,946	9,946	10,060	10,060	10,060	10,060
Percentage of Total	4.25%	4.23%	4.23%	4.33%	4.07%	4.07%	3.83%	3.83%	3.72%	3.57%
<b>Auxiliary Enterprises</b>										
Assignable Square Feet	1,556	1,556	1,556	5,926	5,926	5,926	5,926	5,926	5,926	5,926
Percentage of Total	0.56%	0.56%	0.56%	2.58%	2.42%	2.42%	2.25%	2.25%	2.19%	2.10%
<b>Unassigned</b>										
Assignable Square Feet	3,378	3,378	3,378	1,176	1,176	1,176	-	-	-	-
Percentage of Total	1.21%	1.21%	1.21%	0.51%	0.48%	0.48%	0.00%	0.00%	0.00%	0.00%
<b>Total Assignable Areas</b>										
Assignable Square Feet	278,355	279,489	279,609	229,487	244,380	244,380	262,817	262,817	270,524	281,695
Percentage of Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Parking Facilities</b>										
Parking spaces available	1,912	1,968	2,046	2,046	2,346	2,346	2,346	2,346	***2746	2,746
Number of employees	534	488	533	615	630	686	685	776	830	778
Number of students-fall term	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758	6,941	6,800

NOTE: Common areas(such as, hallways, foyers, restrooms, closets, mechanical rooms are not included in totals.

\*Utilization was reassessed.

\*\*Includes Anderson Campus

\*\*\*Includes Mechanic Street parking lot

Source: Facilities extract from IPEDS and SCCHE

# OTHER INFORMATION

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Schedule 15 Schedule of Current Unrestricted Expenses  
Per Full Time Equivalent Units (FTEs)

Schedule 16 Accreditation Information

Schedule 17 Statement of Nondiscrimination

Fiscal Year Ended June 30, 2013



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Tri-County Technical College  
Schedule of Current Unrestricted Expenses  
Per **Credit** Full Time Equivalent Unit (FTE)  
Most Recent Data Available

Schedule 15

<b>Current Unrestricted</b>												
Educational and General:												
	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013		
Instruction	\$ 8,491,103	\$ 9,817,211	\$ 10,636,321	\$ 11,315,637	\$ 12,519,469	\$ 13,061,517	\$ 14,385,333	\$ 14,508,658	\$ 16,689,866	\$ 16,701,530		
Academic Support	\$ 1,625,295	\$ 1,301,239	\$ 1,632,515	\$ 1,892,243	\$ 2,114,604	\$ 2,458,279	\$ 2,157,777	\$ 2,412,337	\$ 2,553,967	\$ 2,518,195		
Student Support	\$ 2,039,172	\$ 2,161,330	\$ 2,142,376	\$ 2,436,119	\$ 2,305,952	\$ 2,488,614	\$ 2,544,123	\$ 2,955,300	\$ 3,280,286	\$ 3,077,458		
Operation of Maint/Plant	\$ 2,032,111	\$ 2,201,585	\$ 2,194,232	\$ 2,419,312	\$ 2,543,108	\$ 2,492,480	\$ 2,686,910	\$ 3,027,838	\$ 3,115,085	\$ 3,214,958		
Administrative and General	\$ 2,269,719	\$ 2,439,769	\$ 2,441,664	\$ 2,582,223	\$ 2,735,227	\$ 3,161,215	\$ 3,545,464	\$ 3,933,999	\$ 4,048,928	\$ 4,142,178		
Total E & G**	\$ 16,457,400	\$ 17,921,134	\$ 19,047,108	\$ 20,645,534	\$ 22,218,360	\$ 23,662,105	\$ 25,319,607	\$ 26,838,132	\$ 29,688,132	\$ 29,654,319		
Annual <b>Credit</b> Student FTEs	3,507	3,562	3,533	3,797	4,057	4,666	5,632	5,698	5,298	5,174		
Expense per Credit Student FTE (total E&G/annual student FTEs)	\$ 4,693	\$ 5,031	\$ 5,391	\$ 5,437	\$ 5,477	\$ 5,071	\$ 4,496	\$ 4,710	\$ 5,604	\$ 5,731		

Actual*	
2011	
\$ 15,694,191	
\$ 2,412,337	
\$ 2,955,300	
\$ 3,027,838	
\$ 3,933,999	

Total E & G	\$ 28,023,665
Credit FTE	5,698
Expense per FTE	4,918

\*ARRA (American Recovery and Reinvestment Act) funds were used to pay for a portion of instructional salaries in fiscal year 2011. The actual E & G is listed separately for comparative purposes.

\*\*Note: EXCLUDES Auxiliary Enterprise, Continuing Education, Restricted and Unexpended Plant Funds.  
EXCLUDES Anderson Campus Capital Lease payment

Sources: Audited Annual Reports on Financial Statements for years presented;

### **College Accreditation**

Tri-County Technical College is Accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the Associate Degree.

### **Program Accreditations and Approvals**

The Associate Degree Nursing program is accredited by the Board of Nursing for South Carolina and The Accrediting Commission of Education in Nursing(ACEN).

The Accounting, Management and Administrative Office Technology programs are accredited by the Accreditation Council for Business Schools and Programs.

The Expanded Duty Dental Assisting diploma program is accredited by the American Dental Association Commission on Dental Accreditation.

The Early Childhood Development degree program is accredited by the National Association for the Education of Young Children.

The Medical Assisting degree program is accredited by the Commission on Accreditation of Allied Health Education Programs in concert with the Medical Assisting Education Review Board.

The Medical Laboratory Technology degree program is accredited by the National Accreditation Agency for Clinical Laboratory Sciences.

The Practical Nursing program is accredited by the State Board of Nursing for South Carolina and The Accrediting Commission of Education in Nursing (ACEN).

The Surgical Technology diploma program is accredited by the Commission on Accreditation of Allied Health Education Programs.

The Veterinary Technology degree program is accredited by the American Veterinary Medical Association.

**Policy on Discrimination**

It is the policy of Tri-County Technical College to recruit, hire, train and promote employees and to provide educational opportunities to students without regard to race, color, religion, sex, disability, veteran's status, age or national origin, in compliance with the provisions of the Civil Rights Act of 1964, Title VII of the Equal Employment Opportunity Act of 1972, Title IX of the Education Amendments of 1972, the Rehabilitation Act of 1973, Executive Orders 11246 and 11375, Revised Order 4 of the Department of Labor, the South Carolina Human Affairs Law of 1972, and the Format Memorandum issued by HEW in August of 1975, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Immigration Reform and Control Act as amended 1990, and the Americans with Disabilities Act.

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# SINGLE AUDIT

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Fiscal Year Ended June 30, 2013





# **TRI-COUNTY TECHNICAL COLLEGE**

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**Independent Auditors' Reports Required by  
Government Auditing Standards and the Single Audit Act**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013**

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# TRI-COUNTY TECHNICAL COLLEGE

## Table of Contents

	<u>Page Number</u>
Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required by OMB Circular A-133	1-2
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	3-4
Schedule Of Expenditures Of Federal Awards	5-7
Notes To Schedule Of Expenditures Of Federal Awards	8
Summary Schedule Of Prior Audit Findings	9
Schedule Of Findings And Questioned Costs	10
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Other: Independent Auditors Report on State Lottery Tuition Assistance	11

Independent Auditors' Report On Compliance  
For Each Major Program And On Internal Control Over  
Compliance Required by OMB Circular A-133

Tri-County Technical College  
Pendleton, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Tri-County Technical College's compliance with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tri-County Technical College's major federal programs for the year ended June 30, 2013. Tri-County Technical College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Tri-County Technical College's compliance.

**Opinion on Each Major Federal Program**

In our opinion Tri-County Technical College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of Tri-County Technical College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit, we considered Tri-County Technical College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Technical College's internal control over compliance.

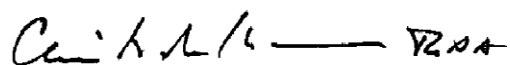
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identified deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities of Tri-County Technical College, a discretely presented component unit of the State of South Carolina, as of and for the years ended June 30, 2013 and June 30, 2012, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated September 20, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Independent Auditors' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Based On An Audit Of Financial Statements Performed  
In Accordance With Government Auditing Standards

Tri-County Technical College  
Pendleton, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Tri-County Technical College, a discretely presented component unit of the State of South Carolina, as of and for the years ended June 30, 2013 and June 30, 2012, and the related notes to the financial statements, which collectively comprised Tri-County Technical College's basic financial statements, and have issued our report thereon dated September 20, 2013. Our report includes a reference to other auditors who audited the financial statements of Tri-County Technical College Foundation, Inc. and Subsidiary, as described in our report on Tri-County Technical College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The Tri-County Technical College Foundation, Inc. and Subsidiary's financial statements were not audited in accordance with Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tri-County Technical College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Technical College's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tri-County Technical College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

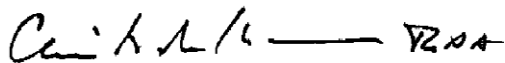


### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tri-County Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Cynthia L. [unclear] CPA". The signature is written in a cursive, flowing style.

Gaffney, SC  
September 20, 2013

**TRI-COUNTY TECHNICAL COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ending June 30, 2013**

FEDERAL GRANTOR	Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 6/30/12	Revenues		
						Federal	To Grantor	Federal Fund Balance Expenditures 6/30/13
U.S. DEPARTMENT OF EDUCATION								
Student Financial Aid								
	Pell	22052	84.063	2011-12	-	(19,543)		(19,543)
	Pell	22059	84.063	2012-13	-	11,123,522		11,123,522
	Federal Work Study	22053	84.033	2011-12	-	2,813		2,813
	Federal Work Study	22060	84.033	2012-13	-	134,070		134,070
	Job Location and Development Program	22065	84.033	2012-13	-	16,844		16,844
	Federal SEOG	22061	84.007	2012-13	-	128,888		128,888
	Federal Direct Student Loan Program	22056	84.268	2011-12	-	(15,006)		(15,006)
	Federal Direct Student Loan Program	22062	84.268	2012-13	-	7,000,019		7,000,019
TRIO Program								
	Talent Search	22057	84.044A	2011-12	-	88,320		88,320
	Upward Bound	22058	84.047A	2011-12	-	150,080		150,080
	Talent Search	22063	84.044A	2012-13	-	336,147		336,147
	Upward Bound	22064	84.047A	2012-13	-	263,962		263,962
Higher Education-Institutional Aid								
	Learning Through Community and Connections	22330	84.031A	2010-11	-	49,133		49,133
	Learning Through Community and Connections	22331	84.031A	2011-12	-	140,452		140,452
	Learning Through Community and Connections	22332	84.031A	2012-13	-	180,552		180,552
Pass-Through State Department of Education								
Vocational Education-Basic Grants to State								
	Perkins IV-Tutoring Center 13VA414	22655	84.048A	2012-13	-	867		867
	Perkins IV-Placement Coordinator 13VA414	22657	84.048A	2012-13	-	37,568		37,568
	Perkins IV-Institutional Research 13VA414	22660	84.048A	2012-13	-	2,499		2,499
	Perkins IV-Special Populations 13VA414	22662	84.048A	2012-13	-	3,848		3,848
	Perkins IV-Academic Resource BPS 13VA414	22663	84.048A	2012-13	-	27,547		27,547
	Perkins IV-Academic Resource E&IT 13VA414	22664	84.048A	2012-13	-	27,135		27,135
	Perkins IV-Admissions Counselor 13VA414	22665	84.048A	2012-13	-	53,822		53,822
	Perkins IV-Career Counselor 13VA414	22666	84.048A	2012-13	-	23,488		23,488
	Perkins IV-Vet Tech Equipment 13VA414	22668	84.048A	2012-13	-	1,195		1,195

**TRI-COUNTY TECHNICAL COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ending June 30, 2013**

FEDERAL GRANTOR	Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 6/30/12	Revenues		
						Federal	To Grantor	Federal Fund Balance 6/30/13
PERKINS IV-INDIRECT COST 13VA414	Perkins IV-Indirect Cost 13VA414	22669	84.048A	2012-13	-	9,509	-	-
	Perkins IV-Auto Technology 13VA414	22682	84.048A	2012-13	-	0	0	-
	Perkins IV CIT Computer Forensics 13VA414	22684	84.048A	2012-13	-	5,500	5,500	-
	Perkins IV Disabil Coord Prof Dev 13VA414	22685	84.048A	2012-13	-	2,225	2,225	-
	Perkins IV CIT Forensics Equip 13VA414	22686	84.048A	2012-13	-	1,200	1,200	-
	Perkins IV Nursing Equipment 13VA414	22688	84.048A	2012-13	-	76,692	76,692	-
	Perkins IV Faculty Development 13VA414	22689	84.048A	2012-13	-	4,493	4,493	-
	Perkins IV EIT Equipment 13VA414	22690	84.048A	2012-13	-	16,990	16,990	-
	College Access Challenge Grants							
	REC College Access Challenge Grant	22315	84.378	2012-13		7,000	7,000	-
U.S. DEPARTMENT OF AGRICULTURE-NATIONAL INSTITUTE OF FOOD & AGRICULTURE	REC College Access Challenge Grant	22316	84.378	2013-14		4,997	4,997	-
	Total U.S. Department of Education					19,886,830	19,886,830	-
U.S. DEPARTMENT OF AGRICULTURE-NATIONAL INSTITUTE OF FOOD & AGRICULTURE	Pulp and Paper Manufacturing Training Grant	22405	10.314	2011-14	-	13,868	13,868	-
	Total U.S. Department of Agriculture					13,868	13,868	-
U.S. DEPARTMENT OF LABOR-EMPLOYMENT AND TRAINING ADMINISTRATION	Pass-Through Greenville Technical College							
	TAA Community College Career & Training (TAACCT)	22415	17.282	2012-16	-	7,905	7,905	-
	Total U.S. Department of Labor					7,905	7,905	-
U.S. DEPARTMENT OF TRANSPORTATION	Pass-Through South Carolina Department of Transportation							
	Alternate Modified Asphalt Binders in SC	22410	20.205	2012-14	-	103,524	103,524	-
	Evaluation of Increase RAP/RAS Usage	22411	20.205	2013-14	-	15,888	15,888	-
	Estimation of Low Temp Properties-RAP Binder	22412	20.205	2013-15	-	14,205	14,205	-

**TRI-COUNTY TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ending June 30, 2013**

FEDERAL GRANTOR Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 6/30/12	Revenues		
					Federal	To Grantor	Federal Fund Balance 6/30/13
Total U.S. Department of Transportation					133,617	133,617	-
<b>NATIONAL SCIENCE FOUNDATION</b>							
Pass-Through Center for Occupational Research and Development							
National Center for Optics/Photonics Education	22314	47.076	2011-13	-	1,635	1,635	-
Total National Science Foundation					1,635	1,635	-
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>							
T.E.A.C.H							
	22902	93.575	2012-13	-	10,450	10,450	-
Total Dept of Health & Human Services					10,450	10,450	-
TOTAL FEDERAL AWARDS					\$20,054,305	\$20,054,305	-

**TRI-COUNTY TECHNICAL COLLEGE**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards present the activity of all federal awards programs of Tri-County Technical College. The reporting entity is defined in Note 1 of the college's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

3. FEDERAL LOAN PROGRAM

The College began participating in the Stafford/Plus Loan Program through third party lenders in July 2007. Participation in the Federal Direct Student Loan Program began in July 2009. The total loans for fiscal year ending June 30, 2012 are:

	<u>Third Party</u>	<u>FDSL</u>
Subsidized Stafford Loans	\$ -	\$ 4,027,526
Unsubsidized Stafford Loans	-	2,482,618
PLUS Loans	-	474,869
	<u>                    </u>	<u>                    </u>
Total Stafford/Plus Loan Program	<u>\$ -</u>	<u>\$ 6,985,013</u>

**TRI-COUNTY TECHNICAL COLLEGE**  
Summary Schedule of Prior Audit Findings  
June 30, 2012

**Findings Relating to the Financial Statements:**

There were no findings relating to the financial statements.

**Findings and Questioned Costs Relating to Federal Awards:**

There were no findings and questioned costs relating to federal awards.

**TRI-COUNTY TECHNICAL COLLEGE**  
Schedule of Findings and Questioned Costs  
June 30, 2012

**Summary of Auditors' Results:**

GAGAS

An unmodified opinion was issued on Tri-County Technical College's basic financial statements dated September 20, 2013.

There were no significant deficiencies or material weaknesses. No instances of material noncompliance were disclosed by the audit of the financial statements.

A-133

An unmodified opinion was also issued on compliance of major programs at Tri-County Technical College dated September 20, 2013. There were no significant deficiencies or material weaknesses in the internal control over major programs were found. Our audit disclosed no audit findings that are required to be reported under OMB Circular A-133.

The major programs at Tri-County Technical College are the Student Financial Aid Cluster and TRIO Cluster from the U.S. Department of Education. Type A programs are defined as those that expended \$300,000 or more and Type B programs are those that expended less than \$300,000. Tri-County Technical College's total federal awards expended for the year ended June 30, 2013 were between \$10 million and \$100 million.

Tri-County Technical College is not considered a low risk auditee according to the criteria in OMB Circular A-133.

**Findings Relating to the Financial Statements:**

There were no findings relating to the financial statements.

**Findings and Questioned Costs Relating to Federal Awards:**

There were no findings and questioned costs relating to federal awards.

	Federal CFDA <u>Number</u>
U.S. Department of Education	
<u>Financial Aid Cluster</u>	
Federal Work Study	84.033
FSEOG	84.007
PELL	84.063
Federal Direct Student Loans	84.268
<u>TRIO Cluster</u>	
Talent Search	84.044
Upward Bound	84.047

Independent Accountants' Report on State Lottery Tuition Assistance

Tri-County Technical College

We have examined Tri-County Technical College's compliance with the administrative procedures and internal controls related to the State Lottery Tuition Assistance Program in order to determine that the College administered the program in accordance with State law and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education for the year ended June 30, 2013. Management is responsible for Tri-County Technical College's compliance with those requirements. Our responsibility is to express an opinion on Tri-County Technical College's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Tri-County Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Tri-County Technical College's compliance with specified requirements.

The method of sample selection used was haphazard. Students (9) students were selected for testing.

We examined the individual files maintained in the financial aid office of each applicant selected to determine that they contained all necessary information and documentation to determine eligibility. We also determined that any lottery tuition assistance awarded did not exceed the remaining cost of tuition and academic fees for the applicable semester after first applying Pell grants, FSEOG, SC Need-Based grants and other applicable grants.

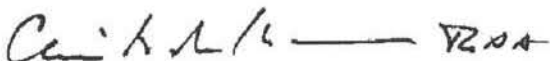
For students deemed ineligible for the Lottery Tuition Assistance Program, we determined that the students were granted the right to appeal the decision by submitting a written request to the institution's Director of Financial Aid, and determined that the students' requests were handled in accordance with the institution's financial aid procedures.

We traced amounts to the student account detail to determine that the awarded amounts were identifiably credited to the student's account.

The result of our tests disclosed no instances of noncompliance.

In our opinion the State Lottery Tuition Assistance Program has been administered in accordance with State law and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

This report is intended solely for the use of management and of the Tri-County Technical College Area Commission and management of the State Board for Technical and Comprehensive Education and should not be used by anyone other than these specified parties.



September 20, 2013





# Tri-County Technical College

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